QUICK START GUIDE

How To Flip Houses
For Profit

REAL ADVISORS

Contents

Introduction

Chances are, you've heard the stories—people *just like* you making *tons* of money by, simply, investing in real estate. Maybe they're friends or relatives, maybe you watched a coworker quit to pursue real estate investing full time, or maybe you, simply, saw folks on TV and online. But no matter what, there was likely a common theme running through their stories.

They didn't have hundreds of thousands of dollars kicking around when they started. They didn't come to the table with major investment knowledge.
They didn't have some super secret training or education you don't know about.

Nope—they're just like you. Maybe you've even *seen* the proof first-hand—the checks, the wire transfers, the bank statements.

But, still, you wait.

You do nothing. You dream and fantasize about what could be, but still, you stall. You *realize* making money in real estate is possible but, like most people, you don't actualize it. Now my big question to you:

WHY?

Why don't you dive in?
Why don't you take the leap and get started in real estate investing?
Why don't you have the confidence in yourself and your passion to just do it?
Why don't you prioritize your wealth, happiness and lasting financial freedom over your fears?

Often, I believe, it's because first-time investors don't feel they have a solid enough footing to get started. And that doesn't surprise me. While there are seemingly endless courses, programs and systems out there, the "gurus" at the helm of these tools are, often, *serious* let downs. They claim to hold *THE* secret to wealth and happiness (funny how they *all* have *THE* one and only secret) and, for just a *small* fee, they'll impart this tremendous wisdom on you.

And you, the eager student, agree. You realize you need an edge in this ultra competitive industry and hope this could be it.

But that's exactly what these gurus do. They tap into people's desire for more—including *their own*. Because while their "students" are out jumping through hoops and getting banged up and beat down by the real estate industry, these gurus are lining their pockets.

There is a tremendous amount of hype messaging out there, and I know that's, likely, just another factor holding you back. But know this: while there's a ton of clutter, there's also a ton of *truth*. And, after doing this for many years, I am 100% positive IT IS POSSIBLE for anyone to get started in real estate investing with *zero* cash in the game. There's endless potential in this industry—not just to make *lots* of money, but to *finally* take charge of your life and control your own destiny.

And that's exactly what I'm going to teach you in this guide.

By following the steps clearly and concisely laid out in this ***Quick Start System***—and, of course, some serious hustle on your part—it's possible to make *lots* of money in real estate investing with little or even no cash. You don't even need to leverage your own *credit*.

Like I said, I've been investing in real estate for over 13 years now, so I get it—trust me. I've seen it all, heard it all and, even, *tried* it all. I've seen what these supposed "gurus" have to offer, and saw why new investors fell short. I've seen market peaks and the valleys. I've made my first million and lost my first million in 24 months only to come back stronger. And it really made me roll up my sleeves and dig into my *own* processes and what does and doesn't work in my business. It also made me realize that, after a while, prospective investors start to drown out the noise—because, after hearing it all day in and day out, it starts to seems too good to be true.

Here's the thing—success in this market isn't too good to be true. But the vast majority of those "gurus" are.

That's where the ***Quick Start System*** comes in. This *isn't* hype and this *isn't* a get rich quick scheme. However, *you can make SERIOUS money from these methods*. Follow these steps, and in five weeks or less, you'll have earned your first five-figure paycheck. Our goal is to flip your income and get cash in your bank account *fast*, so you can start building your real estate investing business. We won't get stuck in the weeds and won't take unnecessary twists and turns. Instead, we'll dive right in and get you to your first payday—your *Reality Check*, as I like to call it.

WHAT DOES FLIP YOUR INCOME MEAN?

I'm going to use the phrase "flip your income" throughout this guide and throughout all of my programs. So let's get the definition out of the way. When I say *flip your income* I'm talking about turning the tables on your financial life and changing *everything*, from how you make money to how *much* money you make. We're going to do it together and we're going to do it *fast*, because I want you to see RESULTS. I want YOU to get your Reality Check!

So why "flip your income" to describe all of that? I chose the phrase because, for starters, it's a brilliant play on words. But at the same time, "flip your income" really summarizes everything the *Quick Start System* is seeking to do. It's all about finding new ways to make money and get people over the J.O.B. Mindset—the mindset that clocks every hour, every dollar and every benefit (or lack thereof...). When you have a J.O.B. Mindset, you're making someone else's dream a reality.

Overall, my goal for YOU is to embrace the right mindset and *flip your income*. And, from there, I want you to use that experience as a springboard into this next journey—*the journey to lasting financial freedom*.

This entire quick start guide is, believe it or not, *inspired* by all of the *bad* solutions out there. *This* is my own "best of." Even if you've tried other systems before and came up short, you can *still* have success with the ***Quick Start System.*** I've been doing this for a long time and I can honestly say *this is the easiest and fastest way to make REAL money in the real estate market*.

The knowledge, insights and processes outlined in this guide aren't a secret, nor are they silver bullets in disguise. There's no magic formula or overnight path to lasting financial success. But what you will find are my proven methods for building a real estate investing business—*this* is a powerhouse educational program to help you achieve the personal, professional and financial freedom you've always dreamed of. The freedom that always felt *just* out of reach.

The results won't be instant and they won't be without some serious sweat equity. But I promise you this: *it works*. And, overall, it's the fastest and easiest path to help you make money investing in real estate. If you follow the steps I'm about to lay out, you *will* achieve true financial freedom in less time and with less effort.

So by now you're probably wondering "who's THIS GUY anyway?"

Well, for starters, my name is Dolmar Cross.

I used to be YOU—I was once just getting started in real estate investing.

Well, for starters, my name is Dolmar Cross.

I used to be YOU—I was once just getting started in real estate investing. At the time, I didn't know what I didn't know — but I DID know I needed a mentor who could really guide my career and my NEXT STEPS. I literally knocked on doors to find that mentor — I wasn't going to take "no" for an answer.

One day, the door opened — literally. It was the end of the day and he was the last guy in the office. I knocked and my future mentor answered. He was impressed with my age — I was in my 20s at the time — and the passion I had for getting into this business.

That day changed everything. That day, we sat down for hours and talked shop. I learned the basics of the real estate investing business, and he sent me out to start searching for wholesale properties. I HUSTLED for those next few days and, soon enough, I had an ideal property on the hook — a property I assigned to my mentor for a $10,000 wholesale fee.

That was my very first deal. And from there, things kept moving forward. I flipped my next deal to that same mentor and *kept going,* searching for more deals and more opportunities just like he'd taught me to do. I knew he was impressed — and his approval meant everything.

About two months later, his assistant called me in for a meeting — and to offer me a full-time position. Within one year I'd worked my way from entry level to VP, learning every aspect of the real estate investing business along the way. Together, we made A LOT of money. Then the 2008 Recession happened and, together, we lost everything. I was newly married and newly broke. And that's not a position you ever want to be in — going straight from your honeymoon to a bankruptcy attorney.

After that, things went from bad to worse. I truly hit rock bottom. It got so bad, I couldn't buy diapers for my daughter. But then one day I got a call from an education company asking if I'd mentor a wholesaler. That led to more time mentoring and coaching — this time, though, *I* was the mentor. *I* was helping these already-successful investors do even more. It was invigorating and showed me a new path to success. And the rest, as they say, is history. My business came back better than ever and, now, involves both investing

I've included everything from the mistakes to avoid to the "ah ha" moments that took me years to realize. Everything is laid out in plain English, and totally transparent.

When I first started out in real estate investing, I tried *everything* until I finally stumbled on what works. My goal in sharing this wisdom from the trenches is that you'll be able to skip over all the tough stuff and go right to the *good* stuff—you won't have to make the same mistakes and missteps I did in your path to true financial freedom.

My program is anchored in the "7 Steps" of real estate investing. By the end of this quick start guide, you'll have a solid understanding of these "7 Steps" and how they all feed into the real estate investing process. There's much, much more on the "7 Steps", as well as ways to maximize your investing business AFTER we work through these important modules.

For now, these steps—more specifically, *four* of these steps—are all you need to get your feet wet. *These steps* are all you need to close your first five-figure deal.

WHAT ARE THOSE 7 STEPS?

1. Foundation
2. Find It
3. Figure It
4. Fund It
5. Fix It
6. Fill It
7. Flip It

While they're *all* important, for the purpose of this ***Quick Start Guide***, we aren't going to discuss *all* of them. Remember, our goal is to generate a payday quickly, even if you have little to no cash. After that, you can start laying the groundwork for your six-figure real estate investing business.

So for now, we'll focus on Foundation, Find It, Figure It and Flip It. More to come on those steps later.

No matter what you achieve in this industry, how much you make or how successful you ultimately are, you're always going to come back to these "7 Steps"—and you're always going to come back to these principles.

It's worked for me every single day, from the very beginning until today.

Why? Because it works.

Now the big question is, will you? Will you work? Because remember, nothing works unless YOU do.

So welcome to the Quick Start program. I'm eager to join you on this journey.

SECTION 1

Foundation & Overview

UNDERSTANDING THE FIRST "STEP"

Part one of "Foundation" is all about getting into a Real Estate Investor Mindset. The importance of this can't be oversold. Most new real estate investors just starting out don't realize that having the right mindset is the KEY to their success as an investor. Your mindset determines whether you sink or swim in this industry, whether you're just starting out or you're a real estate investing pro.

You can study and learn all the techniques and strategies in the world, but if you don't adopt a "real estate investor mindset", you'll be spinning your wheels wondering why you can't get ahead. Next, we'll dive into the core principles of wholesaling and the mechanics of how the whole strategy works.

Now, part two of "Foundation" is all about setting up your real estate investing business. It's a very important and very tactical, hands on step—it, literally, refers to creating your LLC, building out your business systems and processes and other important things like that. While setting up your business is critical, for the purposes of this program, we aren't going to go there—at least not yet. My goal with this system is to get you a five-figure payout fast.

I want you to have the money you need to start your business, without getting held up with the startup side of it all. Just get to your first wholesale flip and get that big payday. Don't worry…the rest will come.

In my experience, I've found that this approach yields far better results than trying to build an "official" business first. Why?

Because that first deal is your "Reality Check"—literally and figuratively.

- It's your Reality Check in that YOU prove to YOURSELF that you can do this. That five-figure check is proof.
- And, well, it's a check—a Reality Check. And that's what we're doing this all for, right?

Next, we'll also dive into the do's and don'ts of wholesaling, and making sure that as a real estate investor, you stay completely compliant and above board in all your practices.

THE REAL ESTATE INVESTOR MINDSET

Most people decide to invest in real estate because they want to make money. And that's a great goal. That was, truthfully, my goal when I got started many years ago.

But this goal leaves you with a major hurdle—specifically, *how do you get there?* How do you put the pieces in place and stay the course long enough to see results as a real estate investor? What has to happen now—and after that and after *that*—to ensure you can keep building on every win and, ultimately, build out a path to true financial freedom? ***Your mindset***.

Having the right mindset is KEY to successfully starting in real estate. Your mindset is, ultimately, how you approach everything in this business—from finding deals to funding deals to flipping deals. Your mindset puts you on the right path—a path filled with positive momentum and the head-down attitude you need to succeed. And, at the end of the day, to successfully flip your income, you need to change YOUR mindset.

So, what does the "right" mindset look like? From where I sit, it looks something like this:

Savvy, Strategic Business Leader
\+ Creative, Passionate Entrepreneur
= Real Estate Investor Mindset

DO YOU HAVE A REAL ESTATE INVESTOR MINDSET?

Having the right mindset is KEY to successfully starting in real estate. Ask yourself, *do these statements describe ME?*

- You can close your eyes and see your goal—*financial freedom*—sitting out of reach. But, still, you're confident you have the know-how to put one foot in front of the other and, ultimately, reach your goal.
- You're inventive and you're action-driven.
- You construct solid plans to get where you want to be, but can think outside the box when the need arises.
- You can navigate any twist, turn or bump in the road, even the ones you hadn't seen coming.
- You're a little right brain, a little left brain, but always, have a total focus on the task at hand—*the task of becoming a successful real estate investor.*

Do these characteristics describe YOU *right now*? Or, given the right resources and support, *could they*?

This is just the tip of the iceberg, but definitely a good jumping off point. If you feel like you aren't quite here *yet*, though, DON'T WORRY. In my experience you don't need to come to the table with these attributes to be successful. You do, though, need to come to the table with an open mind and desire to *have* a Real Estate Investor Mindset. If you do and are willing to work at it over time, you're poised for success.

Wherever you are on your investor journey, know this: I've been there. I've had very high highs and very low lows. I've had to bounce back as much as I've excelled. And now I'm here—and now I can share my experiences with YOU.

I share this with you because, no matter where your head is right now, read on. If you're feeling down and out because of recent experiences with other investing methods, read on. If you've started a business before and the results left something to be desired, read on. If you're already thinking, "this might not be for me," read on. Don't let past experiences interfere with the here and now. Instead, adopt a Real Estate Investor Mindset and tell yourself, "I can do this!"

I've seen thousands of people dive into real estate investing, hoping to make a quick buck. The good news? It's absolutely possible. You can make some serious money in real estate investing, right off the bat.

The other side of that coin? You're going to have to work for it. It's not bad news, but just an essential gut check for anyone considering taking the leap and diving into real estate investing. Anything worth having is worth working for, including a successful real estate investing business.

I've also seen several people dive into real estate investing as second career. I've heard it more times than I can count. People wake up one day and say, I want to change my career -- NOW.

The reasons are as diverse as they come. Sometimes folks are just plain ole' burnt out and need a change of pace. Other times there's been some major life event that's triggered a need or desire to make a massive shift in their day to day. Or sometimes there's no real reason, just some feeling -- something they can't exactly put their finger on, but something that signals they need to change careers stat.

So, what happens next?

If you get to this point and you're like most, you start researching schools that teach a concrete curriculum tied to your desired career change. If you want to be a cook, you look up culinary schools. If you want to teach, you research bachelor or master degree programs. Depending on your goals and next steps when it comes to your career, you'd likely land at a technical school or four-year college or graduate program that, let's be honest, would cost you a fortune -- think $15,000 to $100,000 to gain the skills you need just to get started in your desired field. Not even to land a job. Just to acquire the basic skills needed to get out there and START looking for a new job.

Countless people do it ALL THE TIME. As a society, we're incredibly comfortable paying a small -- or LARGE -- fortune to pursue higher education in whatever new field we're interested in. Why? Because, as we all know deep down, there's no better feeling than to invest in our own lives and our happiness -- and, let's face it, our careers play a major part. With new education and a new career, you could potentially have a better work/life balance, more job satisfaction, a higher salary and countless long-term opportunities. And, as many folks say, can you REALLY put a price tag on that?

Well if you care to know my thoughts on this subject? It's simple.......I couldn't agree more with that statement! I don't think there's anything more important than to invest in than yourself and YOUR FUTURE. That's the mindset I want you to come to the table with when we talk about spending money on your real estate investing education. If you want to be a real estate investor—whether it's a full career change or whether this will be a side business, for now —you need to learn and grow.

It's no different than being a marketer and deciding you want to fly airplanes or being a carpenter and deciding you want to teach high school. When it's time for a change, you owe it to yourself to do it right and do it now—and to that, you need to invest.

If you want to be an expert real estate investor and make money in this industry, you need to spend time on formal training. The dollars you spent on the Quick Start program are a direct investment in YOUR new career path—and in YOU.

- *Think about how the money you're spending on this program will be a direct investment in YOU.*
- *Think about how you'll define your return on investment -- your ROI -- and what it all looks like in your life.*
- *Think about how THIS career change -- to real estate investing -- will give you the life and WEALTH you're looking for.*
- *Think about how THIS change will provide you with an increased sense of freedom and control.*

If you're changing careers or, simply, interested in scaling your real estate investing business, THIS is how you need to be thinking. Shift your mindset towards ROI. Value every single dollar you spend on your real estate investing education, and remind yourself that, ultimately, THIS is what will make you competitive in the marketplace.

To achieve your goals, you're going to need commitment as well as consistent and persistent effort from day one—effort that doesn't stop when you've flipped your first property or even made your first million. Because to create true, lasting wealth, you're going to have to get up and give it your all every single day. Stick it out and you'll be rewarded handsomely.

How do I know?

Because I've been there, done that, and now, living the life I've always wanted and the life that, now, is well within your reach.

So, the next step is to think of *your number*.

Again, chances are you came to real estate investing to create meaningful, long term wealth. And, chances are, you have a number in your mind that represents this meaningful, long term wealth. *Jot it down*. Maybe it's $1 million. Maybe it's more—or maybe it's a fraction of that.

Maybe you want to pay for your kids' college education, or create enough passive income to live off of in retirement. Maybe you have a more modest goal, like saving for a down payment on *your* new home or taking a dream vacation. The number doesn't matter. All that matters is that you've nailed down what financial freedom means to you and, now, can work towards that finite point.

Regardless of whether your goal is $50,000 or $5 *million*, it's important to know that true success isn't about running into action with total abandon. It's about *mindset* and *motivation*.

How does that apply to you and your real estate investing business? If you've never invested in real estate before, chances are you'll have to alter how you think about money, moving from how *things* are to how *things* need to be. And that's tricky because, more often than not, your financial views are shaped by your upbringing. They're *hard wired* and they can be tough to shift.

CONSUMER MINDSET VS. INVESTOR MINDSET

Most of us have what's called "consumer mindsets." Chances are, do you, too. Ask yourself:

- Do I get sticker shock often?
- Do I balk at prices, on everything from groceries to gifts to little indulgences?
- Do you often find yourself saying or thinking, *"I can't afford THIS."*

If the answer is YES, you have a *consumer* mindset. And now it's time to flip things—it's time you adopted a *producer* mindset.

Real estate investors are *producers*. Instead of thinking, *"how much is this going to cost me?"* they ask themselves, *"how much is this going to MAKE me?"* Semantics-wise it seems like no big deal, right? But in reality, the shift is huge. As soon as you can look at costs in proportion to the *opportunity* they present, you'll be on the right path. You'll be ready to start investing.

In real estate investing, it's all about taking calculated risks—it's about seeing the opportunities sitting right there in front of you, and diving in with confidence, charisma and the knowledge that you *will* get ahead. Having this mindset will help you make quick decisions and resist the urge to second guess yourself. As a real estate investor you'll make *lots* of important decisions. If you want to not just survive but *thrive*, you'll need to make those fast decisions and never look back.

Done right, this is a serious competitive edge, in and of itself. Why? Because most people make decisions slowly and change their minds quickly. Millionaire real estate investors make decisions quickly and change their minds slowly.

Million-dollar real estate investors are also known for being decisive, even in very high pressure situations. They don't allow themselves to get bogged down in indecision or choosing *not* to choose. Because that type of indecision—deciding *not* to decide—is a choice and, more often than not, it's a costly one. And, still, *way* too many people go down that road, in real estate investing and in *life*. But you won't fall into that trap. You've got the right mindset and you're ready to go.

It’s important to have this Foundation—to understand *why* you’re making decisions—so you’ll be able to put these next few steps and stages into play every single time there’s a deal in motion. All too often people understand *how* things happen in this industry, but not *why*. And that’s why, though they may have a few quick wins, they don’t succeed in the long run.

Understanding and applying all of this is a true shift in thinking and, not surprisingly, it doesn’t happen overnight. You’ve likely had a lifetime of conditioned thinking about how decisions are made and how to view both opportunities and money as a whole. It may take some time for these best practices and mindset shifts to really sink in and “click.” And that’s OK. Be patient. Stay the course. Stay *focused*. Ultimately, all of the pieces will fall into place. Ultimately, you’ll be where you need to be from a mindset perspective.

Your Focus is generating your first “reality check”.

As I said early on in this guide, the goal with this ***Quick Start*** guide is to generate cash *fast*. So, how are we going to do that? I’ll walk you through simple methods that will enable you to spearhead and close high value deals, often without using any of your own cash. If you follow this system, earning a five-figure payday in a short amount of time is a very realistic goal.

So how are we going to do it? I’ll walk you through simple methods that will enable you to spearhead and close high value deals, often without using *any* of your own cash. If you follow this quick start guide to the letter, earning a five-figure payday in five weeks or less is a *very* realistic goal.

CREATE YOUR SUCCESS PHILOSOPHY

Knowledge is power—*sort of*. In a vacuum, knowledge is a nice-to-have, for sure. You know more, you feel more empowered, you start seeing things differently. But knowledge by itself isn’t going to move mountains—or get you that five-figure paycheck, in this case. In order for knowledge to *really* matter, you’ve got to apply a layer of persistent and consistent action. Otherwise, knowledge is just a pile of ideas, all jumbled up in your brain. And that’s not getting anyone *anywhere*.

Think about it. Let’s say you want to lose 10 pounds. You *know* that jogging for 30 minutes each day will help you get to that goal. But if you don’t do anything—you just *know* what you need to do—you won’t move the needle. You’ll still be carrying around those 10 pounds.

But let’s say you’re ready to take action. If you jog once around the block, you won’t lose 10 pounds. Likewise, if you skip a jog you won’t *gain* 10 pounds. Each decision—the decision *to* jog or the decision *not* to job—does get you closer to or further from your goal, though. And if you make consistent decisions one way or the other every single day, it will contribute to or take away from your health and well-being—if you jog you’ll lose weight eventually, and if you *don’t* jog you’ll gain.

In weight loss and in business, people fail to reach their goals because they consistently fail to make the right choices—choices that push them forward. The good news is that you actually get to choose which way to go. **YOU** can choose to make decisions that push you forward. **YOU** can write **YOUR** success philosophy—the path that will take you from knowledge to action to POWER. And you can start *right now*.

There is no profit in education, tools, systems or processes…

Action trumps education! EVERYTIME!

A bit earlier, I talked about the "7 Steps" of real estate investing. Again, these are the foundational pieces of real estate investing which, together, produce unparalleled results every single time.

Those "7 Steps" again are:

- Foundation
- Find It
- Figure It
- Fund It
- Fix It
- Fill It
- Flip It

While they're all important, for the purposes of this program, we aren't going to go over all of them. Remember, our goal is to generate a five-figure payday in the a few weeks, even if you have little to no cash.

After that, you can dive right into our other advanced curriculum and start laying the groundwork for your six-figure real estate investing business.

For now, though, we're going to focus on the first few steps:

- Foundation
- Find It
- Figure It
- Fund It

This simple, streamlined process will help you cross the five-figure finish line fast, without getting caught in the weeds of all the other steps.

Once you have that Reality Check in your hand, you can go back and focus on your business-building (Foundation), plus alternatives to wholesaling like rehabbing for big paydays and building long-term wealth by buying and holding properties for cash flow and passive income.

But, for now, let's boil down our process to just these steps and just one exit strategy, which is: ***wholesaling***.

Even though we aren't going to delve into all the "7 Steps" in this specific program, it's important to understand what each step means and how they influence one another.

BREAKING DOWN THE "7 STEPS"

Even though we aren't going to delve into *all* the "7 Steps" in this guide, it's important to understand what each means and how they influence one another.

1 FOUNDATION

Adopting a Real Estate Investor Mindset, and laying the foundation—AKA setting up your real estate investing business, from establishing a work space to building out your systems and processes to getting your team in place

2 FIND IT

Finding great real estate investment deals through a host of tactics

3 FIGURE IT

Analyzing the numbers to make sure they make *sense* for you and your business; this step also includes making the offer and securing the contract

4 FUND IT

If you're rehabbing or buying and holding, you'll need to *fund* your deal—and there are many methods to do this, from traditional banks and lenders to non-traditional approaches

5 FIX IT

If you're flipping a property or buying and holding, you'll likely need to fix it *before* putting it back on the market for sale or for rent

6 FILL IT

This applies to a buy and hold—in this step you fill your property with renters/tenants, creating passive income and growing your wealth

7 FLIP IT

Flipping your property for a *serious* payday. This could include wholesaling (what *we're* doing in this guide), whole*tailing* (minimal work/cosmetic updates) or full-scale retail flipping (you'll do lots of work but, also, earn top dollar for your flip)

Again, for your purposes—and the purposes of this program—we're only concerned with Foundation, Find It, Figure It and Flip It. Remember, we want to generate a big payday RIGHT NOW using the "Wholesaling" approach.

UNDERSTANDING WHOLESALING

We'll touch on a few different approaches to real estate investing in this guide. But, for the purpose of getting you to the Quick Start System, the main focus of this guide will be WHOLESALING.

So What IS Wholesaling?

In most cases, wholesaling refers to you (the real estate investor) getting a deal under contract then *assigning* that contract to another buyer *before* closing. Typically that end buyer is *also* a real estate investor who's interested in renovating the property and either flipping it or renting it out. And that means many of the properties you'll get under contract will be distressed properties and properties that need some *serious* TLC.

Once you contract a property you have "equitable interest" in the property—and that includes the right to inspect and market that property for sale. If you plan to wholesale this property—which, in this instance, we do—you also have the right to assign your interest in that property to another investor or buyer. When you wholesale properties, you'll mostly be assigning the contracts or selling those properties to another real estate investor. That investor will make their money by rehabbing and reselling the property once they take ownership.

So what do ***you*** get out of the deal? An assignment fee—think of it as your "finder's" fee. This fee is built into the price the *new* buyer pays and, at close, you collect it. Depending on the value of the property and the market you're working in, your fee can be a few thousand dollars or, even, *tens* of thousands of dollars. And, often, it's all for a few day's work.

SOUNDS PRETTY GOOD, DOESN'T IT?

That's the foundation of wholesaling—*you* get paid for finding great deals for fellow real estate investors, then flip those contracts for a fee. If you buy low and sell high, you'll do *very* well in this industry—more to come on *that* in the next section.

So let's talk about what Wholesaling IS NOT.

Wholesalers don't get involved in doing rehab or renovation work—that's the biggest distinction between wholesalers and other real estate investors.

Your sole purpose is getting a great deal, getting that great deal under contract and passing that deal off to someone else who will buy the property and tackle the improvements. Sure, it's less profit than you'd make as a rehabber, but it's also much *less* work and much *less* time. And that's why so many real estate investors—myself included—favor this approach.

Good wholesalers are in *very* high demand right now. Most real estate investors are *slammed* as is, and don't have time to seek out and secure the best deals—that's where wholesalers like us come in. We bring them the deals and *we* get paid for it. It's a win/win.

I've been investing in real estate for years, and have come at it from every possible angle. And, from where I sit, the best real estate investors are the ones who have spearheaded at least a few wholesale deals before. So even if this is just a stop on your investor journey, it's an important one. Wholesaling will always exist and will always be a great way to make a quick profit. It's also a great way to learn the ins and outs of the industry if you're just getting started.

IS WHOLESALING ILLEGAL?

One final note before digging into this guide. When you start wholesaling properties, some people may tell you the wholesale process is unethical or, even, illegal. But that simply isn't true. Real estate wholesaling is completely legal and ethical IF you do things the RIGHT way. But…

- If NOT structured properly, a wholesaling deal CAN violate state licensing laws—your assignment fee could be considered a "commissioned sale" which can be problematic if you aren't a licensed real estate agent/broker
- HOWEVER, if your deals are structured properly, there's *nothing to worry about*. Plain and simple.

Real estate licenses protect the consumer. By mandating commissioned sales are managed by licensed professionals, states are protecting their citizens. This added layer of protection ensures the people helping facilitate these sales are educated, informed and have their clients' best interests in mind.

At the end of the day, being compliant in your wholesaling business is all about PROPERLY STRUCTURING DEALS. If your deals are structured properly, you have NOTHING to worry about. If your deals are shady or designed to deceive buyers and sellers, then you could be in violation of state and licensing laws.

Again, it comes back to basic business best practices. THIS is how you should be structuring your business and your deals anyway. THIS is how you should be running a business.

DISCLAIMER: It is your responsibility to consult legal representation in your market whenever doing wholesale deals to ensure you are not violating your state's licensing law requirements.

Your Job: Buy Low, Sell High

Now, let's discuss the importance of finding deals at the right price to make big profits over and over again.

One of the core principles of wholesaling is *buying low and selling high*. When done right, buying low and selling high enables you to make money the minute you buy and reap major profits when you sell.

Take a moment to step back and think about the property-buying process. Now think about when real estate investors like you make their money. While many equate flipping a property with making money, that's not the case. As an investor, you make money the minute you buy any real estate, and you get paid when you sell it. The lower you buy, the more money you make when you take ownership of a property. So that's always your goal: buy low.

Now the big question: *how low*? For starters, always buy lower than you intend to sell your property—that should be a given. The greater the difference between your purchase price and your potential sale price, the greater your *equity*. Sell a property and that equity translates into *cash*. *And that's how you make money as a real estate investor.*

Where Motivated Sellers Fit In…

Buy low, sell high—makes sense, right? The only way you'll get the opportunity to buy low, low, *low* is if you identify and engage motivated sellers. Truly motivated sellers will want to sell to you *so much* that they'll accept a below market offer just to get the deal done. Why would they OK a less-than-stellar offer? For a variety of reasons:

- Perhaps it's a distressed property that needs *serious* TLC—more TLC than the homeowner, or, even, the typical home *buyer* would want to take on
- They could be delinquent on their mortgage payments or property taxes, and may be forced to sell by their bank or lender
- They could be relocating for work and need to move...*now*
- Maybe the seller lost their job and need to lessen their monthly expenses
- The sale could be triggered by a divorce—and divorce proceedings that are forcing them to liquidate *everything*
- It could be time to retire, and the seller needs cash or, simply, wants to downsize
- An illness or death may have impacted the seller recently, causing them to have to— or want to—sell ASAP
- The homeowner may have inherited the property, and now wants to get it off of their ledger *fast*

BEING A PROBLEM SOLVER

Your job, again, is to buy low and sell high. That's the basic function of *any* real estate investor and any real estate investment deal.

But let's think of this in a more empowering light. You aren't a machine and you aren't scooping up distressed properties without a moment of thought or hesitation. Because your job is bigger than that. Your job is to be a problem solver—you will help property owners solve their problems while maximizing value for you and your business. Why?

1. Because people with means—YOU—should help people who are down on their luck. If you've identified a motivated seller, the noble thing to do is create a fair and balanced deal that takes their interests and needs into account. It's the right thing to do. Would you want someone preying on you or your loved on in a moment of weakness? I know I wouldn't.
2. In life, problems can pop up at any time. That's unfortunate, but, at the same time, presents opportunity—specifically, the opportunity to help people.
3. Challenged property owners will exchange equity for peace of mind *any time*. They'll, in short, give YOU equity if YOU can grant them peace of mind. It's that simple.

CREATING DEALS IN ANY MARKET

Because you're a problem solver and because you solve problems every day in this business, you'll never experience a shortage of opportunity. Even in the worst possible market conditions, you'll always be able to acquire equity. There will always be a low price and a high price. As long as you can solve homeowners problems, you'll always be able to scoop up equity—great properties at low prices—in exchange.

Once you embrace the notion of exchanging equity for peace of mind, you'll be one step closer to success, regardless of which way the markets are turning. And that's powerful. That's how you guarantee long-term financial freedom for you and your family.

The 3 Types of Buyers YOU'LL Encounter As A Wholesaler

At the end of the day, wholesalers typically attract three kinds of target buyers:

1. **The Fix-and-Flip Investor:** a real estate investor who buys properties from wholesalers, rehabs them and flips them to a retail buyer for a major profit.
2. **Buy-and-Hold Investor:** a real estate investor who buys properties from wholesalers, rehabs them and rents them out, creating a long-term cash flow.
3. **Retail Buyer:** an end buyer—AKA a homeowner—who is buying the property to live in, once any necessary rehab work is done. In many cases, retail buyers will actually do or manage this work themselves.

Your wholesaling strategy will vary based on the types of buyers you wind up working with. By understanding who you're attracting and what their needs are, you'll be able to create a niche for yourself and your business, and *dominate* that niche. The more you can really dig in and understand your customer, the more successful you'll be as a wholesaler.

SECTION 2

Find It

OVERVIEW OF FINDING GREAT DEALS

The most important aspect of your real estate investing business is finding deals. If you can't find deals, you're not an investor. You're a buyer.

Scratching your head? Think of it this way: *a buyer buys, but an investor profits, because profit profit comes from deals*. No deals, no profit. Lots of deals, lots of profit.

This is such a critical piece of the process that, if there were another reason prospective real estate investors fail, it would be that they lack the ability to generate a consistent source of motivated seller leads.

So in this session, we'll dive into many of the ways you can find profitable deals. You'll learn different market strategies and different softwares that help you attract sellers and buyers; and you'll learn how to use networking as a tool to bring in constant leads!

As you're launching your real estate investing business, remember that—you need leads so you can find deals. And you need deals to be a successful investor.

That means you need lots of leads, especially early on. With lots of leads, comes lots of opportunities. When you have many, many opportunities present themselves, you can scoop up what you want and sell off what you don't to other investors—investors who couldn't find great deals on their own.

Lots of leads means lots of opportunity—and that means lots of money.

Because we're focusing on making cash quickly, we need to filter leads with that goal in mind. In the future, though, the exit strategy you choose—how you earn that payday—will dictate how you search for and secure leads.

For example, we discuss cash flow—the "Fill It" strategy in another program—it's a slightly different process when you shift from generating cash to generating cash flow. But, again, for now we need to get you some serious cash *fast*. Once you have cash, you have lots of options in this industry. And that's what we want.

Now back to the mission at hand: finding motivated sellers and solving their problems. Plan to connect with these sellers in one of two ways:

1. **YOU** initiate the contact
2. **THEY** initiate the contact

Even though this seems fairly straightforward, there's a nuance to how contact is made and who initiates that contact. Follow the best practices laid out in this guide and you'll be on the road to a successful deal—you'll have successfully solved their problems and yours. More to come on that.

Either way, once contact between you and motivated seller happens, you'll want to strike up a conversation and determine whether a fair exchange of equity for peace of mind can be made. If the answer is no—if you don't agree on price or terms, let's say—then you part ways and make contact with the next motivated seller.

"BUT WHAT DO I SAY…?"

Even the most confident people can, often, find the lead outreach and the engagement process challenging, or at times, totally nerve-wracking. My advice? Just do it.

Because, as silly as it may sound, this is a BIG reason why some people don't get started in real estate investing. They're too scared to engage, too scared to ask probing questions and too scared to negotiate. I even see it at live real estate training events—people who are clearly terrified of talking to people. But you have to get over it. From where I sit, this is a mindset shift that needs to happen. It's part of being a real estate investor. It's part of having a Real Estate Investor Mindset.

I remind students over and over that a motivated seller needs YOU. They need your help—they called YOU, after all. This puts you in a position of power. So, don't be nervous and don't worry about sounding "right." Instead, chat with this seller like you would a friend. What would you need to say or do in order to help a friend?

Granted, some of your conversations will get very personal—but wouldn't it likely veer into personal waters if you were talking to a friend? You may have to ask, for example, how much they owe on their house or whether or not they're behind on payments. Don't panic—these are very important questions and you need the answers to truly help this person.

Again, it may feel a little uncomfortable initially, but you'll quickly get the hang of it and will never look back. After a call or two, most new investors get over their fear of making calls or talking to motivated sellers. You'll be a pro at asking personal questions and won't think twice before picking up the phone. Trust me.

While they're driven to sell, it's important to keep in mind that most motivated sellers you encounter won't lead to a deal. I'm not saying that to discourage you, but so you understand the importance of moving forward. If a deal can't happen, simply pack up and move on. It may take a few conversations, but eventually, you'll find a motivated seller who's compelled by your offer. And that's when dynamic deals happen. And that's why perseverance is so important in this industry.

The foundation of every successful deal lies within the seller's motivation to sell. If you couldn't come to a deal, it's because the seller didn't have enough motivation for you. Don't worry, though—there are plenty of motivated sellers out there.

Stay strong, stay confident and stay in action and you'll find lots of opportunity to exchange equity for peace of mind.

ANALYZING YOUR LOCAL MARKET

At this stage, it's essential to analyze your local market to determine the best course of action. This will also help inform the areas you should specifically focus on down to the zip code. In this industry, a few streets could make a huge difference in your profitability.

But know this: every local market is different. While I have plenty of insights, information and best practices you can put into play to boost your real estate investing business, you'll need to spend some serious time researching to better understand your market.

While analyzing, you'll look at everything including:

- Where the most transactions are happening, right down to the zip code
- What types of houses are being bought and sold
- The most active price ranges

Knowing this will help you target your marketing criteria, dollars and efforts so you don't waste time and money targeting areas or deals that won't produce results in the long run.

So, how do you tackle these market analyses? The easiest and more effective way is to find and build relationships with a local real estate agent, who can help you conduct market analyses.

While it sounds fairly straightforward, keep in mind that many real estate agents don't know how to properly conduct market analysis. That said, be sure you interview real estate agents until you find one who's investor friendly and can help you with this step. Even if they don't typically pull the data points you need, many times they can reach out to MLS tech support for assistance in running these reports.

I always ask for these three reports—mentioning them to a prospective real estate agent is a good way to kick off the screening process:

1. **Market Analysis Report:** details the number of transactions by zip code. You'll also be able to see which transactions were closed with cash and which were closed with financing.
2. **Price Analysis Report:** this shows the most active price ranges, and where houses are selling the most.
3. **Days On Market Report:** this report provides a clear picture of how long homes have been/are typically on the market by zip code/area. This is important because, when I buy a property, I have an idea of how fast I can sell the property based on location and price point. If I'm funding a property (we aren't at this stage, but for the future), this is also important because I'm better able to determine the potential hold time and associated cost, before I finalize the deal.

Not only is this analysis important to determining where and what types of properties you'll invest in, it's also important for your marketing. Let's say, for example, you want to invest in properties in and around Miami. Most new real estate investors simple blanket the entire city or county with their marketing messaging. And that's a huge waste of time and money. So, many of these area codes have little or no activity.

So, by figuring out where, exactly, you want to be and what you want to invest in, you'll be able to streamline your marketing processes and get the most out of every outreach.

Why Marketing Matters—And How to Make Yours Work Hard

Marketing is another key piece of the real estate investing puzzle. Unfortunately, there's no one marketing strategy that will work *every time*—there's no one sure fire path to endless leads. That means lots of testing, some trial and error and a commitment to creating and cultivating multiple marketing tactics at any given time. Because you need leads—both buyer *and* seller leads—and you need to ensure they're always at the ready when you need them. That's where marketing comes in.

Before rolling up your sleeves, know this: every local market is different. While I have plenty of insights, information and best practices you can put into play to boost your real estate investing business, you'll need to spend some serious time researching to better understand your market.

Like the analyses, every area is different so you'll need to test and optimize accordingly until you determine what works and what doesn't in your market. That said, I've rounded up some quick hits you can integrate that, likely, will be essential to your marketing now and in the future.

So, if you're new to the industry or are having trouble getting your marketing plan in motion, start here. These are some of the strategies I've found work well in any market. With a few quick wins under your belt, you'll be able to better identify what works and what doesn't for you, and put together a powerhouse marketing plan accordingly.

STRATEGY #1: MARKETING ONLINE

Even if you aren't the most tech-savvy person, having an online presence is essential in today's always-on real estate investing industry.

If, as you're reading, you start to feel overwhelming by all of the online talk, don't worry. I've simplified everything for you. If you're still feeling stressed, considering tapping a freelance digital marketer, intern or virtual assistant to help you get your strategy in motion. Websites like Upwork and Freelancer are great places to find someone to help you get your business online.

Craigslist

No matter what you think of the online classified sites, the results speak for themselves—and that means you need to be HERE.

Each month more than 50 billion users come to Craigslist. The potential is endless. It's easy to create classified ads touting your services—the fact that you buy properties—to millions of potential sellers. Take a look at the kinds of ads other local investors are posting in your market to see what's standard. You may see real estate investors posting about the specific types of properties they buy—distressed properties or foreclosures—or you may see wholesalers offering cash for quick transactions.

Like anything, you'll want to play around with messaging to see what makes sense. That said, I've found the classic headline, **CASH BUYER: SELL YOUR HOUSE IN 5 DAYS**, to work like a charm.

I recommend posting one or even two classified ads to Craigslist per day. Eventually you'll start to see patterns and trends—in other words, what works and what doesn't. This will help you create more compelling classified messaging, generating more engagement and conversion on the ads you do post.

If you're pressed for time, this is a great activity to outsource. Tap your tween or teen who's looking for a little extra spending money, or hire a low-cost virtual assistant to post a few times per day.

Website like UPWORK are packed with quality Virtual Assistants (VAs) from around the globe, with hourly rates ranging from $5.00 and up. If your Craigslist ads generate even one deal per year, that's money well spent.

Website & Squeeze Pages

Not only do you need a website for your real estate investing business— that's a given—but you'll also need a squeeze page to coincide.

So, what's the difference?

Think of your website as the cover of your storybook. Because, let's face it, everyone judges books by their covers, your website needs to have solid content, strong design, simple navigation and interactive video content so users don't get bored and ditch. You'll also need ample opportunities for people to opt in and become your leads.

A good way to hook and engage prospective leads? Present a high value experience or offer in exchange for their contact information. Targeted newsletters, for example, teeming with relevant real estate information, industry white papers, infographics and exclusive videos are great examples. If the value is high enough, people are more than willing to turn over their personal contact information.

The Key to Generating Seller Leads Through Your Website

Focus on posting fresh, relevant and local content on a frequent basis. Whether it's a website, a blog or something in between, content is what will draw more and more consumers to your page over time.

To maximize engagement, focus each web page around one, two or three local keywords or phrases. When you do this, you're helping search engines find and serve up your website to people searching for relevant topics. This process is called search engine optimization (SEO).

Some examples of optimized keyword phrases include:

- Cash For Tampa houses
- I Buy Tampa Houses For Cash
- How To Sell Your (State) House Fast For Cash
- How To Get Top Dollar For Your (State) House
- 5 Tips For Avoiding Foreclosure In (State)

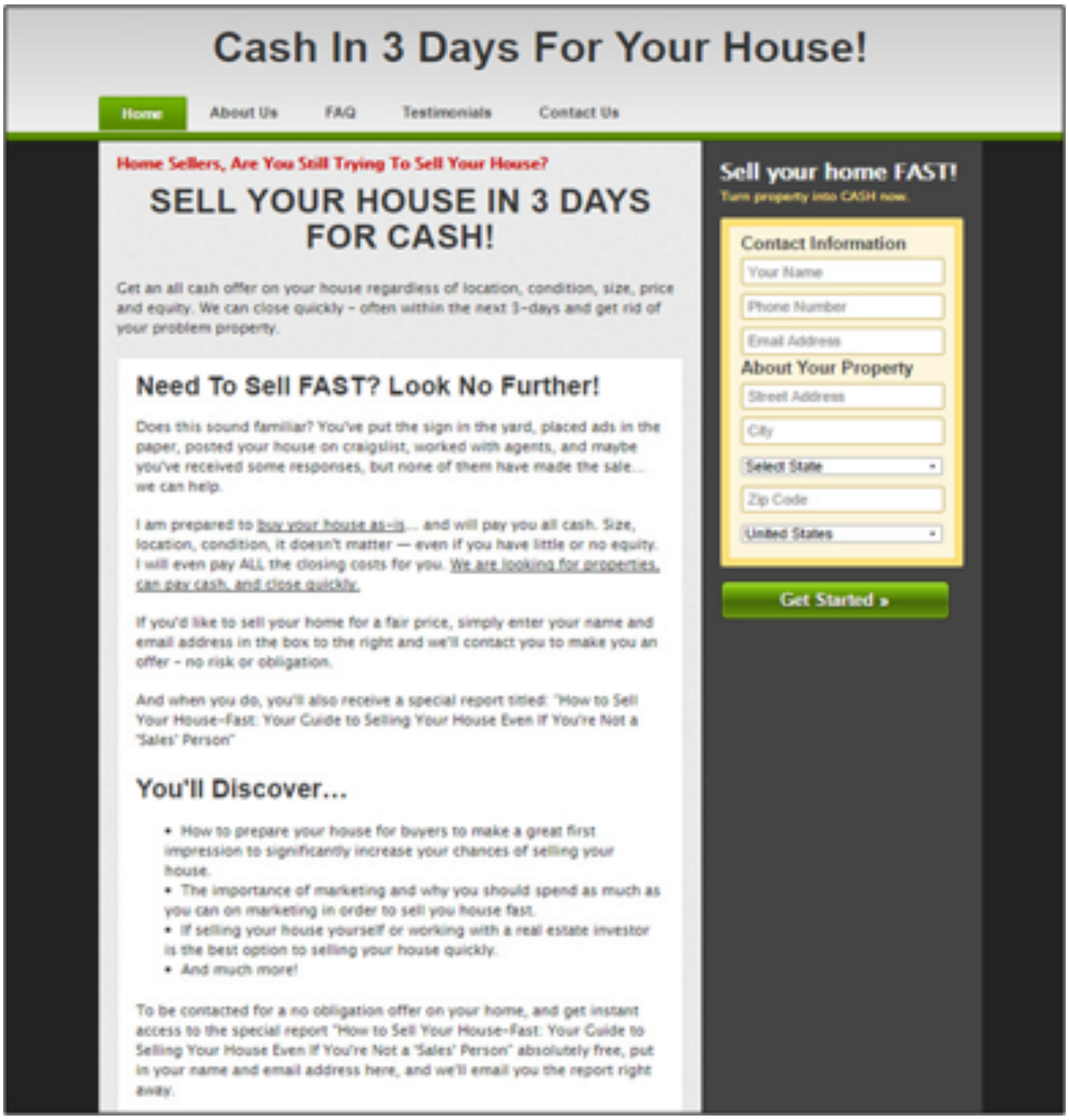
These are all very specific, very local phrases. If someone were searching for the top two phrases, for example, your assumption would be that they're trying to sell a house for cash in Tampa. And if you buy houses for cash in Tampa, this is definitely someone you want to connect with.

By writing an article around this topic—buying houses for cash in Tampa— and utilizing relevant keywords and phrases in your post, search engines will be able to better spot your page when searches like these happen. And, more importantly, they'll be able to better direct these homeowners to your website.

To maximize the impact of your SEO efforts, be sure to include optimized keywords and phrases throughout your content. Don't overwhelm your posts with these phrases, but it's important to include a few times. A good keyword density will help you move up the search rankings.

Now that your website is out of the way, you'll also need a squeeze page. A ***squeeze page*** solicits people's key information—name, email and zip code, for example. Once these leads hit submit, their contact information is added to your list and you can market to them going forward.

This is a good example of a squeeze page.



As you can see from this example, these pages should be incredible simple and focused. Your goal is to get potential sellers to share their information and property details— too much information, images and other content will likely distract from that goal. Your main objective is squeezing information from sellers and turning them into prospects.

Squeeze pages are very effective. They make it easy to automate your marketing processes and save time. Think about it—you can set up an autoresponder to email your prospects anytime someone opts in to your squeeze page with info about their property You'll cut a time-consuming step (For example, you or someone on your team manually following up multiple times via email). You only have to set these up once and they're sent out automatically on auto-pilot.

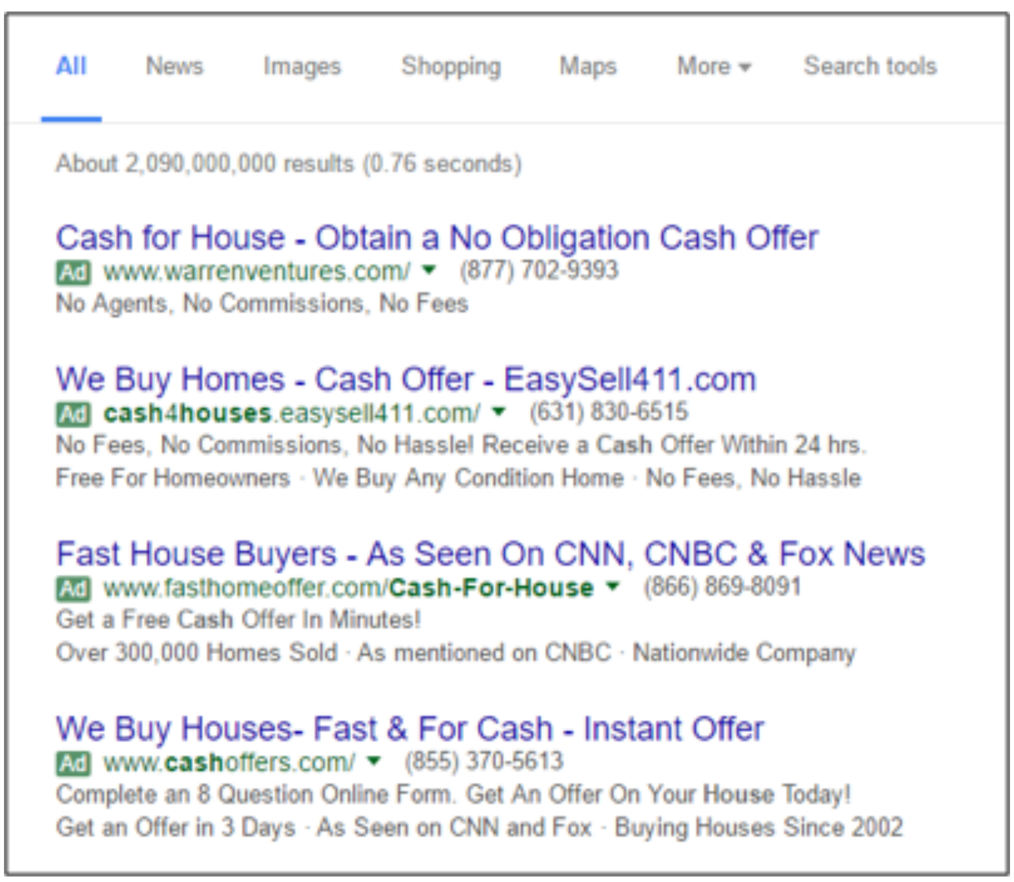
When homeowners are ready to sell for any reason, often the first place they go is online—to a search engine, more specifically. They want to find out what their options are and what properties like theirs are fetching right now. So, what do they search for? Localized phrases like, "We Buy Houses Tampa" or "Cash For Tampa Houses."

In this scenario, if you're a real estate investor in Tampa you'd hope YOUR website pops to the top of their search. They're clearly engaged and ready to take that next step—to sell their house—and they need someone like you to help get the deal done. Connecting would be a win/ win for both of you.

Pay-Per-Click (PPC)

That's where pay-per-click (PPC) advertising comes in.

PPC is a simple way to push your website to the top of relevant searches. This ensures more prospective buyers and sellers can easily find you and your business fast. PPC ads appear in the tops of search results on engines like Google and Yahoo!, as well as in the paid results section. Any time you search you'll likely spot a PPC ad. They can pop up anywhere, from paid search results to sponsored links to social media ads and banners on top websites.



The reason PPC ads are so popular is because they offer immense value to advertisers. When you launch a PPC campaign, you don't pay unless consumers click on your ad. Each time they click and land on your website, you pay a negotiated amount—it could be a few cents, a few dollars or more depending on how much you value your leads. If they don't click, you don't pay.

PPC is a great way to test different ad campaigns and creative messages. By leveraging PPC campaigns, you'll be able to easily see what works and what doesn't, without throwing your budget away on underperforming campaigns.

STRATEGY #2: NETWORKING

Marketing goes much further than traditional digital and social channels. In this industry, marketing also includes heavy networking. Every single deal you strike will involve people—you, the seller, the buyer...the list goes on and on. And because this is such a people-centric business, your ability to engage and activate those around you will be central to your success.

What's the #1 source for quality lead generation? **OTHER PEOPLE!**

And that makes networking the highest value task you can take on. Truly, nothing beats meeting people face to face when it comes to stirring up new leads.

In my experience, personal networking is one of the best and most lucrative ways to generate leads. About four in five leads my business generates in a given year comes from networking. And the best part? In most cases these leads are 100% free.

Leveraging a free channel to get valuable leads? What's NOT to love?

Remember how I said it's essential to cast a wide net, and generate as many leads as possible in the beginning? Those leads come from your contacts—if you can network with those contacts effectively, you'll be able to extract maximum value from each and every one of them. That could be a sale, that could be a referral that leads to a sale, or that could be your next great deal—but you'll never know unless you start networking.

It's a process that, truly, never ends, so it's important you get comfortable with networking now. As you tap your current contacts, you'll need to keep filling that well over and over again. You'll need to reach out to everyone in your extended circle, and make new industry connections over time. I can't tell you the number of times a fellow real estate investor, wholesaler, accountant, attorney or inspector pointed me towards my next deal. Anyone can be a lead and anyone can help generate high value leads for your business. **Tell EVERYONE!**

Existing Contacts

Ready to kick your networking into high gear? The first step is to connect with people you already know—your existing contacts. Start with people who like and trust you. It could be your accountant, attorney, the real estate agent who sold you your home. It could even be a mortgage broker you've been chatting with, or the handyman you hired to tackle some recent home repairs. Remember, anyone can be a lead and anyone can point you towards a great lead.

When you reach out, keep it simple and direct. T**ell contacts you've started a real estate investing business, and that you're looking for distressed properties**—or whatever, specifically, you're looking for. People in your inner circle will always be happy to hear what you're up to and, often, can lend some words of encouragement at the very least. At the very most they can drive you towards a great property or motivated seller—or, maybe, they're the motivated seller with the great property. You never know!

Industry Professionals

Once you've tapped your existing contacts, extend your network to include other industry professionals. With these experts and insiders in place, you can grow your circle exponentially—as you build meaningful, personal relationships with these contacts and connections, they can help steer you towards countless leads and lead gen resources. Because they're knee deep in the real estate industry, they all tend to have fantastic inner circles. Tap into those networks, and you'll have access to some of the best leads in your market.

If you're new to the real estate investing industry you may not know where to start. You may have no trouble reaching out to your personal contacts, but are coming up short when it comes to professional connections. In those instances, your next step should be building a robust professional network.

A great place to start is by **attending local Real Estate Investor Association (REIA) meetings**. A quick online search or search on NationalREIA.com will connect you with lots of meetings in your area and beyond. Plan to attend the next few, and don't be afraid to introduce yourself to fellow attendees. Everyone is there to build up their professional networks, so there's no need to be shy. Bring business cards and get in the mix. If you meet someone who could be a good connection, ask them for coffee or lunch so you can dig a little deeper. People love to share their wisdom with other industry insiders so, chances are, you'll be met with a resounding YES.

Another source for real estate meetings and events? Sites like **MeetUp.com**. Simply search for real estate investing events, workshops and seminars and see what pops up in your local area. Many communities have investor groups and industry get-togethers that bring together the best and the brightest in the area for lively conversations, idea exchanges and networking. Find one that suits and sign up.

STRATEGY #3: DIRECT MAIL

Direct mail (also called "direct response marketing") is, hands down, one of the best paid marketing methods out there. It's a great way to engage and activate motivated sellers—and that means it should be the cornerstone of every marketing plan you roll out. Not only is direct mail inexpensive, it also has the potential to be highly targeted and scalable. It is easy to both test and track.

Properly designed, direct mail provides new real estate investors with small marketing budgets the opportunity to compete with larger businesses that spend big money on big ticket campaigns. The right creative with the right messaging delivered to the right audience at the right time has an incredible power to cut through the clutter in a way mass media—TV and billboards, for example—can't. And because more and more marketing has shifted online, direct mail has become more powerful than ever.

Think about it—you get much less mail than you do email, right?

So, what are you more likely to pay attention to? The only piece of mail you received today, or one of the 600-plus emails flooding your inbox right now?

Like anything in this industry, it's important to plan the work and work the plan—and when it comes to direct mail, this is where many new investors fall short. In my experience, the vast majority of real estate investors integrate direct mail early on in their careers. But I'd guess 75% or more taper off fairly quickly.

I often hear these investors chalk it up to direct mail "not working" or delivering too little ROI versus digital outreach. I'd challenge anyone who questions the power of direct mail to take a second look—I'll even help them with their audit.

Why? Because, nine times out of 10, campaigns don't work because investors don't understand what, specifically, makes direct mail successful.

Without this knowledge and insight, it's very hard to deliver a strong, strategic direct mail campaign. And if, because your campaigns underperform, you decide to give up, you'll never gain the know-how and hand-on experience to boost your response rate and get the results you're looking for.

What DOES Work: A Proven Method for Direct Mail Success

So, by now you're probably wondering, what DOES work?

I've been running direct mail campaigns for many years, and I've tested everything there is to test. I've tried big campaigns and small campaigns, bold creative and more subdued messaging, highly targeted lists and mass mailings—the list goes on and on.

But, at the end of the day, this is the method I've found to be the most successful. This approach is a fantastic way to attract sellers, and because it's so consistent, I know every time I drop my next mailing I'm going to get a sizable response.

The first step: create or buy a highly targeted mailing list that includes relevant homeowner segments. If you send your mailer to a random list, you may get a few bites, but, chances are, there will be a lot of waste. Your goal is to identify and mail to or call a targeted list of potentially motivated sellers.

Depending on your business and your market, you'll want to focus in on a few key segments that make sense. For example, I often pull lists for absentee owners, people in probate, people with inherited properties, foreclosures and high equity properties. In my experience, these tend to have a high concentration of prospective sellers—and that's exactly what we're looking for.

HIDDEN GEMS: ABSENTEE OWNER LISTS

You'll have endless lists to target once you start direct mail marketing. While you'll likely discover some quality targets and lists as you go, here's one hidden gem I target constantly: Absentee Owner Lists. These lists include very motivated sellers, most of whom own single-family homes and rent them out for profit. They're, typically, looking to unload these properties since they're tired of managing the day-to-day—that's where YOU come in. YOU can solve THEIR problem.

If you can, be sure to include vacant and high equity properties in your list, plus leads where the homeowner has owned the property for five-plus years. Your local market analysis will help inform additional criteria such as zip codes and price ranges to target. This will cut down on waste and enable you to best target your direct mail efforts.

There are many companies out there that will help you source these hyper-targeted lists of prospective sellers. Here are a few that I use:

- www.ListSource.com—great for absentee owner list
- www.Listability.com—this broker is a solid go-to for high equity owner occupied properties
- www.RealtyTrac.com—this site and their related services center on pre-foreclosures and foreclosures
- www.USLeadsList.com—a key source for inherited property lists
- www.USProbateLeads.com—get lists of properties in probate, including owner contact information

Keep in mind, these lists aren't free—you'll have to pay for them upfront. But these tend to be very effective and very high converting lists. In other words, you'll get calls each time you reach out to these lists. Use my recommended postcard and direct mail messaging, and you'll maximize those incoming leads.

Once you get those leads, though, you're still going to have to follow the process—just because a potential seller calls you doesn't mean you're going to automatically close the deal. But the more calls and incoming leads you get, the more likely you are to close profitable deals. Be consistent and persistent with your outreach and you will see the results. The bigger your list, the bigger those potential results.

Once you have that list together, send the owner a postcard, letter or other printed piece. This should be a highly optimized, highly organized and well-articulated piece that delivers your message in a compelling, succinct way. Here's an example of a postcard I use a lot.

{OWNER_NAME}, I Want To Buy Your Property At **{PROPERTY_ADDRESS}** and Close in 30days or less!

My name is [acquisition person] and **I need to buy and close on two properties in the next 30 days.** I recently sold two of my properties to some long term tenants and if I don't buy another property with the proceeds, then I will have to pay taxes on that money next year. I am running out of time to find something and so **I wanted to send you this note just in case you might be thinking about selling your property at [property address]**

If I buy your property there are no fees or commissions... in fact, **I am willing to pay all of your closing costs.** That would mean thousands of dollars in savings to you! Additionally, **if there are tenants, I can buy it with them there so that you won't have to worry about having them move out.** Finally, I am not sure of the condition of the inside but **it would not be a problem if it needed fixing up**.

So if you are thinking of selling your property at **[PROPERTY ADDRESS]** please **take a moment and call me at [phone number] to discuss the details of my offer to purchase your property at [property address] and close in the next 30 days.** Please hurry! After I find two properties to buy then I won't be in a position to purchase another property. Remember it will only take a few minutes to find out if I might be a buyer for your property.

The messaging here, as you can see, is very simple, very short and very direct. The most important piece is the headline which, as you can see from the example above, is short, attention grabbing and creates a sense of urgency. After that, the benefits are spelled out simply and succinctly and my contact information is clear.

People have short attention spans, so overselling your business and its services will likely land your mailer in the trash. So, save the lengthy chit chat for your follow up. The purpose of your direct mail pieces should be simple and straightforward: let recipients know you can help them by buying their house—and you can do it now. That's all you need to say to drive prospective sellers to your squeeze page website or have them call you.

The final piece: ***getting it mailed***.

Like list-building, you don't need to waste your time licking envelopes and affixing stamps. Instead, you can use a system like Click2Mail to push out direct mail pieces on a mass scale. This online service tackles all the heavy lifting, from proofreading to printing to sorting and mailing everything from letters to postcards to larger pieces, all at very competitive prices.

You could also tap a local printer to assist with this entire process.

The key, here, is not to "wing it." As you can see, the direct mail process is very deliberate and very focused on the end recipient. Your goal should be to optimize every direct mail message you send—and that means testing your messaging and mail creative on smaller audiences before sending them to these high value lists. Done right, these lists typically deliver response rates around 2%-5%—and that can translate to lots of lucrative deals for you and your business.

STRATEGY #4: BANDIT SIGN MARKETING

Another great go-to method for real estate investors is to integrate low cost bandit signs within their immediate market. You've likely seen many bandit signs—you may have even seen a few today. These signs are usually positioned on the sides of roads, on telephone poles, in parking lots and on lawns and grassy areas.

Usually the messaging is sales-driven and very straightforward—for example:

• BOAT FOR SALE
• OPEN HOUSE TODAY
• CASH FOR GOLD
• WE BUY HOUSES

They're extremely common and with good cause—they're extremely effective, especially in working class and low-income neighborhoods.

Bandit signs are corrugated plastic signs that include a very short, very basic marketing message and call to action (CTA) printed on them. They're usually 18"x24"—anything smaller won't be very visible for passing cars and pedestrians.

Here are a few good examples:

Once written or printed, bandit signs should be placed in high traffic locations—locations homeowners and fellow real estate investors will likely see.

For example, I may post my bandit signs at highway exit ramps, busy intersections or stop lights, or in parking lots at shopping malls and big box stores. Sure, it's a bit labor intensive, but again, bandit signs WORK. So, to me, it's well worth the effort.

Creating Your Bandit Signs

Another great thing about bandit signs is that they're easier to create, even if your budget or other resources are limited.

When I first started in real estate investing, I used to handwrite all of my bandit signs and I know I'm not alone! It was hard to produce a lot of them at once, because my hand would really start to ache after the first 30 or so. But, it cost me virtually nothing to get my messaging into the market and I thought a sore hand was well worth it to me.

If you do choose to handwrite signs, I highly recommend getting a magnum permanent marker from a local office supply store. It has a thicker tip which makes it easier to write REALLY big letters much faster—letters that people will see from a few feet away. Smaller permanent markers are great, but using them takes too much time—you'll need to write and trace each word multiple times and, likely, fill in the letters when you're done. It can be a real-time suck.

If you don't want to handwrite your bandit signs, there are many companies out there that can produce large quantities for a few bucks.

I've used Super Cheap Designs before, as well as Dirt Cheap Signs. Both companies are great and provide both handwritten or designed signs and the stakes. You'll spend about $1.75-$2.25 per sign. It's more than handwriting them all, but, if you're short on time, the investment here is well worth it.

NEVER USE YOUR OWN PHONE NUMBER

I wouldn't recommend using your personal cell, office or home phone number on bandit signs. You don't want people calling you at all hours, nor do you want spam calls or code enforcers reaching you. If you're just starting out, sign up for a free GoogleVoice number—you'll need a free Gmail account to get a GoogleVoice number.

You can have your GoogleVoice number forward to your cell or work phone so you won't miss any leads. But, still, no one will ever know or see your personal contact information (For example, code enforcement).

GoogleVoice can be set up in minutes, and comes complete with a personal voicemail, text messaging and a host of other high value features. Once your real estate investing business is up and running, you can upgrade to a paid service which allows you to get multiple numbers. These services also provide additional powerful features that can come in handy. But, for now, this is good enough.

Either way, I recommend testing different marketing messages and locations to see what works best. If you can, use different phone numbers for each to make tracking success even easier. By seeing how often each number is contacted, you'll be able to see which message converted the most leads and sellers.

No matter where you choose to post your bandit signs, be sure it's a spot where passers-by would be able to stop and jot down your contact information. Placing a bandit sign along a highway, for example, probably doesn't make much sense. If cars are whizzing by, there's little opportunity to focus on and remember a phone number or email address. However, if the same sign is positioned in a grocery or big box store parking lot or at a traffic light, drivers will be able to take a minute and snap a picture of your sign, or scribble down the phone number or website.

I also love to position them around shopping mall exits so people pass them as they're exiting out into the street. Usually these are nice, grassy areas so it's easy to plant a sign there.

In a typical week I'll post at least 100 bandit signs. It's important to post them really well, since they'll be outside, and as a result, need to brave the elements.

I recommend purchasing a sign stapler from SignStapler.com. They have a four-foot stapler that can hang signs 10' up on wooden light poles in seconds. This will help you move through dozens or even hundreds of bandit signs very quickly.

Understand Bandit Sign Restrictions

One word of caution, though, as you're preparing to post your bandit signs. Many cities and counties have ordinances that prohibit the use of bandit signs—and other areas have no restrictions on the practice. See what's allowed in your local market before determining when, where and how to post or hang bandit signs.

When Posting Bandit Signs…

I recommend posting bandit signs on Fridays after 5:00PM. Why? Because, in most communities, city workers and other code enforcement officers are done for the weekend. And that means your signs won't be spotted or removed until, at the very earliest, Monday.

Plan to leave these signs out—don't worry about collecting them at the end of the week or weekend. By leaving them out, you'll likely see many of your signs up for a few days or even a few weeks, which drives more inbound calls for YOU. Even if code enforcement is actually going around and taking down your bandit signs, they can't do it all in one day. Leave them up. Get more calls. It's as simple as that.

I say this because many real estate investors I know wind up tripping over dollars to pick up dimes. They drive around on Sundays taking down and recycling or reusing their bandit signs. Sure, you won't have to rebuy signage that week, but it's extremely time consuming to do that and, beyond that, it's cutting down on your potential exposure.

Even if the rules and regulations in your area are a bit gray, you likely don't have much to worry about. Chances are you'll get many calls asking you to stop posting your bandit signs before you actually get a fine. It's hard for local agencies to enforce bandit sign policies, and in virtually some instance, stores, landscapers and electricians at work will tear down unwanted signs. It's not great for your business, but it won't cost you anything.

If you do start getting aggressive calls, it may be time to reconsider where you post your signs. In my opinion, a few angry voicemails in exchange for a five-figure flip is a great deal.

So, how often have I been fined?

Truthfully, NEVER. I've been threatened more times than I can count and have definitely come face-to-face with angry folks who wanted my signs down. But nothing has ever come of it.

That said, in my experience, the fines for bandit signs tends to be about $50-$100. You might decide that's just the cost of doing business, or you may want to explore a little more before moving forward.

But that's a good number to keep in mind.

I recommend all investors leverage bandit signs in their outreach, whether they're new to the industry or seasoned pros. We invest a tremendous amount in bandit signs and they've delivered in spades over the years. I can't speak more highly of this simple, effective marketing technique.

Keep in mind, you might not get results in the very beginning, but it's essential you stay the course. Try different messaging, different locations or different CTAs. Don't let an off week or two discourage you. You need to be persistent and consistent to see results. You need to be gritty.

STRATEGY #5: PROPERTY SCOUTS

Property Scouts are, in many ways, the eyes and ears of this industry.

Strong property scout relationships can be incredibly valuable now and in the future. Working with these insiders means you'll have someone out in the marketplace, tracking down the very best leads and investment deals for your business. By taking this role off of your plate, you'll have more time to focus on building your portfolio, your processes and your real estate investing business as a whole.

While there are some professional property scouts out there—think wholesalers and real estate agents, for example—anyone can help you find the best deals.

Tap friends, relatives or colleagues to ensure you cast the widest possible net. Arm them with your business cards and other key marketing collateral and point them in the right direction.

Granted, you'll need to be prepared to compensate them upfront for any leads they send you, but the time and effort you save is well worth it. I typically pay up to $15 per lead (the amount I pay depends on the lead quality).

Another good source for Property Scouts? ***Service people***.

This list can include anyone who's in the neighborhood daily and, likely, passes by vacant, distressed or abandoned homes. They may even come in contact with motivated sellers in their comings and goings. These don't have to be real estate industry insiders either.

I often look to people like:

- Mail Carriers
- Pizza/Food Delivery People
- Lawncare/Landscaping Professionals
- Uber Drivers
- FedEx/UPS Drivers
- Bus Drivers
- Crossing Guards
- Joggers

Besides tapping people to help you source deals, you can also leverage cutting edge software solutions to streamline your business and help you make more money even faster.

The Types of Leads You'll Encounter

And How to Maximize EVERY Relationship

So now it's important to understand what comes next—specifically, how to turn those prospects into your next great deals.

The first step? Breaking every lead into a specific classification.

Every potential seller falls into one of many categories depending on how serious they are about selling their property. This categorization will impact how you approach the seller.

By following the seller information sheet included in this program, you'll be able to immediately determine whether or not a property is worth acquiring. What's more, you'll also be able to explore a homeowner's motivations for selling the property, as well as any objections you may encounter.

Once you have this information, you can categorize a seller into one of three categories, and decide whether you'd like to pursue any next steps.

Those categories are:

- **HOT SELLER LEADS:** leads you've booked appointments with and/ or have tested with a verbal offer. These leads are motivated to sell, and you should follow up every few days. You'll likely get the best value from these leads.

- **WARM SELLER LEADS:** leads that are almost hot, but not quite. Typically, a warm seller lead isn't motivated enough to agree to a deep discount on their property. However, continue to follow up with these leads weekly or every other week—chances are they'll graduate to hot lead status soon.

- **COLD SELLER LEADS:** cold leads should be followed up with occasionally, as time permits. When circumstances in their lives change, cold leads can be great sources of profitable deals. It's not uncommon for a cold lead to become a hot lead overnight—but it's also not uncommon for cold leads to stay cold for months or even years. If you can check in with cold leads monthly or, even, every other month, you'll likely be able to stay on top of any key shifts.

Before reaching out to any leads, be sure you, again, gather as much information as you can on your seller information sheet. As you have that initial phone conversation with a lead, remind yourself that the goal isn't to purchase their property over the phone. Instead, it's to determine the quality of that lead and whether it's hot, warm or cold. Once you've categorized it, you can better assess whether or not to book the appointment. If you choose not to book, you can make a follow up plan right then and there.

SELLER CONVERSATIONS

What To Do If a Seller Calls YOU First

Because you're doing so much outbound marketing, it's likely *many* leads will check in with you first. They'll email, they'll call, or, if you have an office, they'll pop by. When that happens, you'll want to take these simple steps:

1. Thank them for getting in touch
2. Introduce yourself
3. Gather basic information: name, phone number and property address, for starters
4. Find out if your new lead is the only owner on the property title—and, if not, find out who else will weigh in on this decision, then gather *their* information
5. Ask about the property, including:
    a. Number of Bedrooms
    b. Number of Bathrooms
    c. General Condition
    d. Repairs/Rehab Work Needed

Keep in mind, some of the information you gather in #5 will be a bit subjective. Most people believe they live in the most incredible house in the world. Even if it's falling apart, they'll lob comments like, "it has great bones!" or "this is a very desirable street…" Jot down everything that's shared, but understand you'll need to make your own assessments before determining next steps.

Once you've asked a few basic questions, the next step is to gauge your lead's level of interest and motivation. Try these probing questions:

- Is there a particular reason you're looking to sell at this time?
- Do you have another place in mind you want to move to?
- May I ask what prompted you to consider moving?
- Is the property too big for you?
- How long have you lived there?

From here, move into questions related to price. Assessing the financial side of things will help you determine if this is a lead you want to pursue or not.

Many times, a homeowner will readily volunteer this information. Other times though, they won't. They may even seem closed off when you broach the topic.

Start by asking:

What are you asking for the property?

Give the seller time to answer. The person who mentions price first tends to lose. Resist the urge even if the seller puts you on the spot. Often, when you ask the seller their asking price, they'll simply respond by asking for an offer. Don't react. Simply push them to give a price first.

NEVER BE THE FIRST TO MENTION PRICE!

If you're considering a property, you *never* want to be the one to bring up price first. I remember when I was early in my investing career I found myself in the midst of a negotiation. The seller clearly wanted me to make the first move and lob an offer before *he* shared price. So I did. I took a breath and made an offer. The seller's response?

"WOW! I didn't think I'd get that much for this house!"

I felt like I'd been punched in the gut. I could've shaved thousands or even *tens* of thousands of dollars off the purchase price, but instead, I chose to show my cards—not a good thing. The deal was suddenly less profitable than it could have been, and *that* was entirely *my* fault.

To avoid finding yourself in the same situation, do your best to get the seller to mention a number first, or, at the very least, a price *range*.

Sometimes sellers want to play hardball and want YOU to price a number first. In these instances, I'll often say something like:

"I'm sure your home has a lot of sentimental value to you and I wouldn't want to offend you. So, I'd feel a lot more comfortable if you could give me a price or price range that you'd need, and I'll review with my partner to see if it's something we can do."

What to do if the seller still won't budge?

Don't walk away. Instead, try tossing out a price range to the homeowner. For example, you may say something like…

"Mr. Jones, would an offer in the $150,000 range be something you're comfortable with?"

Gauge their response and go from there. If the reaction feels negative, I still recommend staying the course and following up with a simple "How far off are we?" If the seller is motivated, they'll likely come back with a loose counter, or even, some indicator as to how far off your range is, at least in their mind.

Once you gather this basic information, give your elevator pitch. The basic elements of a good elevator pitch include explaining:

- You're willing to buy the property as-is, without any costly repairs or work
- You're willing to pay CASH—and that means you won't need appraisals or financing to get to close. This is a pro in sellers' eyes because they won't have to wait on or worry about banks and appraisers. Instead, the path to close will, likely, be smooth and seamless
- You can close on their timeline—even in a week or two, if needed
- Because you aren't acting as a real estate agent, the seller won't have to pay commissions
- You'll cover their closing costs
- You or your team will manage all the paperwork and other time-consuming details

Be sure to keep the conversation loose and open-ended at this stage. It's easy to sound like robot when you've delivered the same elevator pitch hundreds or even thousands of times. Focus on sounding human—warm, friendly, engaging and trustworthy.

You've now established why this person wants to sell their property and how interested they are in what you have to offer. Now, it's important to establish the parameters surrounding a potential sale—think deal breakers and other critical wants and needs. These will be important if and when you decide to make an offer. During the negotiation process, you'll want to refer back to these parameters to help increase the value of your offer in the seller's mind.

Understanding what your seller values will help you better articulate your offer and overarching value proposition. If you know that coming in, you'll be more likely to create a favorable deal for both sides.

Another key piece of information you'll want to probe for is the current state of the seller's mortgage, by asking questions like:

- Do they own their home free and clear?
- Are they drowning in debt, and underwater on their home loan?
- Are they behind on mortgage payments?
- If so, how much and how many months?
- Are they heading for foreclosure?
- Have they been approved for a short sale?

The answers here will help paint a picture of the homeowner and how motivated they really are, plus other factors that could sway their decision.

Ask The Seller For Their Best Price—Then Ask Again

The seller has given their asking price, and you've given your elevator pitch. But that doesn't mean you've landed on the FINAL price. At this stage, it's important to ask again.

Now that everything's on the table, see what the absolute least this seller would be willing to sell for, if you paid cash, closed quickly and covered all their closing costs. That's all very high value to a motivated seller and that could, no doubt, move the needle in your favor.

So, go ahead and make the ask—again. After you've asked, give the seller a minute to answer. Often sellers will come down on price—some will come down a lot. So, it never hurts to ask—and, in most cases, will help turn a lead into a very lucrative deal for you.

Once you've gathered all of the important info from the seller, you'll want to immediately verify everything.

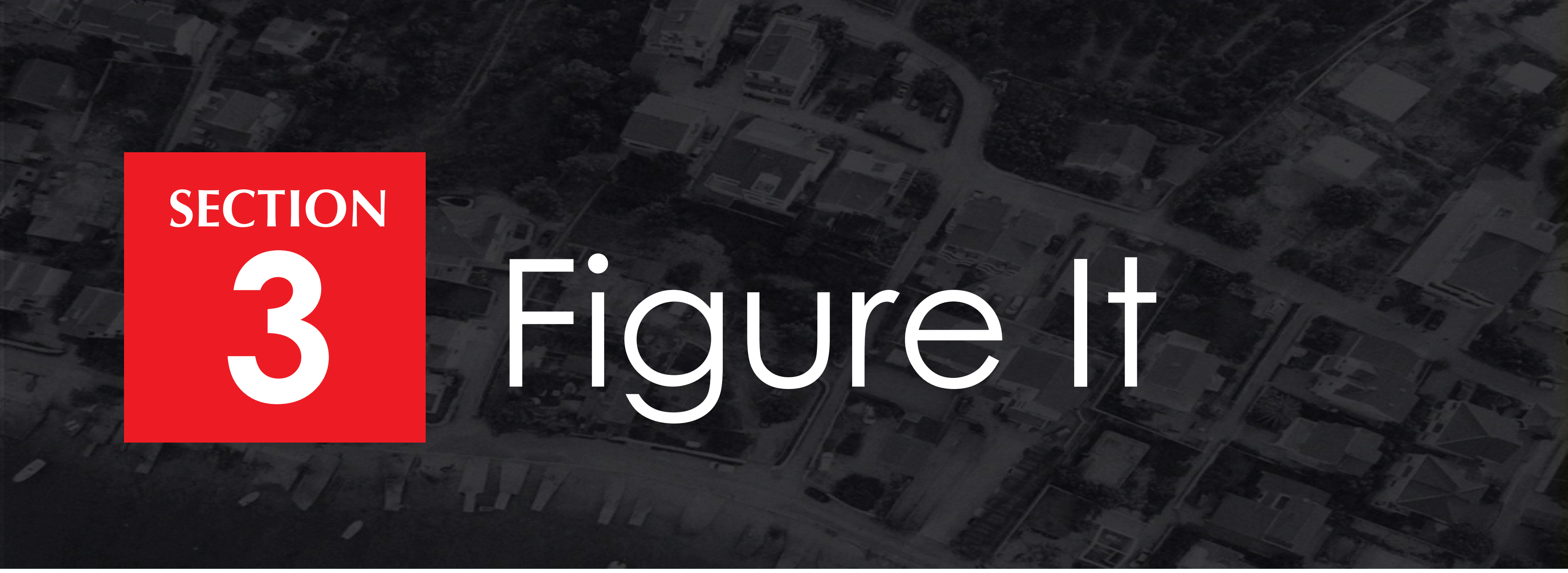
- Head to NetROnline.com to search public records for the property. You can also do a quick online search for the "county property appraiser" in your county. Both will have local tax information that you can use to confirm key details—number of bedrooms, for example, and square footage. You'll also be able to verify that the seller you spoke with is actually the Seller of Record.

- Do a little neighborhood research using Google Maps or another virtual street map tool. By simply typing in the address, you'll be able to get a 360° view of the neighborhood and can immediately see if it's on a main road/freeway, near an industrial area, trailer park or major power lines. These are all things to look for as they may bring down a property's value.

- Visit Zillow and pull a "Zestimate" of the property. While rarely 100% accurate, Zestimates can give you a good sense of what properties sell for in that area. Think of it as a quick gut-check before you move on to the final steps.

Remember, we're looking for motivation and equity here. These four steps are your sniff test to help determine if this property—and this seller—are worth a deeper dive. If so, it's time to do a more competitive analysis of the property.

Armed with all of this information, it's time to decide if this is a deal you want to pursue. If it is, set an appointment immediately—ideally that same day if time permits. Don't put off meeting with the seller and reviewing the property any longer than you need to. If this person is truly motivated, chances are other investors will be nipping at your heels to get in and make an offer.



SECTION 3 Figure It

OVERVIEW OF PROPERTY EVALUATIONS

Now that you have a good understanding of how to find deals, let’s dive into property evaluations. Knowing whether or not a deal is truly a “deal” is crucial to your success in this business.

But how do you know the difference between a “deal” or a “dud”?

You’ve got to be able to accurately figure out and analyze the numbers of a property. That’s what we’ll teach you in this session. You’ll learn how to figure out the numbers and evaluate a property quickly and accurately, to generate maximum profits.

As a real estate investor, your job is to put a property under contract at a price that’s significantly below the After Repair Value or "ARV" of that property. ARV is what the property would be worth if it were in perfect condition.

A good rule of thumb is to land at 65% below the ARV, including the purchase, rehab costs, and closing cost. Getting properties under contract significantly lower than the ARV is the only way you’ll be able to create meaningful margins and generate profit from these flips.

DETERMINING THE VALUE OF A PROPERTY

There are a variety of ways to determine a property’s value. If you want a quick hit, try Zillow’s Zestimate tool. While it’s likely not a bulls eye, these estimates will give you a relative sense of what a property is worth. Take these with a grain of salt, though, since these tend to be 10%-20% above or below list price, right out of the gate.

As you work through your conversation with the seller, be sure to compare the Zestimate to what the seller is looking for, pricewise. While I wouldn’t make any rash decisions based on these two numbers, it’s still a good way to begin understanding where you and the seller stand.

Another good way to start determining a property's value is to use the Multiple Listing Service (MLS). Real estate agents and brokers have access to this powerful site, which includes a variety of tools to help you analyze deals and create comps. If you aren't a licensed real estate agent, I highly recommend working with someone who is. If you're just starting out or haven't been able to secure an agent to work with, try leveraging the public MLS sites. These aren't as in-depth as the pro versions, but they'll still give you significant information on local properties, market trends and more.

If you use MLS, Zillow, Propstream or another source to pull comps, be sure they're truly comparable listings. That means the properties you're assessing are:

- Within a half mile to one-mile radius from the property you're considering
- Have been sold in the past three to six months—the keyword here is SOLD, not "listed" or "pending." Be sure you're ONLY looking at sold properties.
- Are similar style-wise to the property you're reviewing
- Have similar square footage—For example, plus or minus (+/-) 100 square (sq') in size
- Built around the same year—For example, plus or minus (+/-) five years
- Have the same number of bedrooms/bathrooms (or close to that number)

If you can't find solid comps for the investment property you're considering, try moving further out—in other words, widening the physical radius of your comp search so you're encompassing more neighborhoods and, possibly, towns. Expanding your circle location-wise is always preferable to comparing your property to much older or much younger ones. Once you've found some good comps, be sure to adjust the sale price to make up for these differences. In these cases, I usually average the prices of my comps.

WHY YOU SHOULD ALWAYS USE THE MLS

The Multiple Listing Service (MLS) is *the* go-to for real estate agents and brokers, and with good cause. MLS tends to be more up-to-the-minute than sites like Trulia and Zillow. So, whenever possible, use MLS for your searches. A property can hit the market and come off the market in a matter of days. Sites like Trulia and Zillow may not even show the listing until after it's in contract.

Anyone can search MLS, at least for basic information—i.e. homes for sale, property size, photos, etc—but you're going to have to rely on your real estate agent for *full* site access, including comps and other market data. If you don't have an agent yet, you can use sites like Real Quest to "buy" the information you need to develop meaningful comps.

The end goal in pulling comps is to help you determine a realistic market value for any investment property you're considering. While there are plenty of ways to get to a number—again, sites like Zillow and their Zestimates—MLS is the most accurate and most up-to-date. And that means, if at all possible, it's what you should be using.

In addition to MLS and Zillow, there are a host of valuation sites available to real estate investors, including Propstream and RealeComp.

WHAT YOU NEED TO DETERMINE A PROPERTY'S AFTER REPAIR VALUE (ARV)

At the end of the day, you pull comps to help you determine an appropriate market value for the property—both now and after rehab work is done. Because you're most often flipping your contract to a rehabber, you're going to want to ask yourself, "if an investor made THESE repairs, what could they realistically sell it for?" That's the exact question prospective buyers will be asking as they're reviewing your wholesale offer. By getting ahead of that question, you'll be able to identify and secure the best deals, and better package them for cash buyers.

Now that you have all of the information from your comps, here's what you're going to want to look at:

Similarities in Features

As you analyze comps, the more similar these properties are to the one you're considering, the better. For example, if the seller has a property that's 1,000 square (sq.) ft.' and you have a comp for a 2,000 square (sq.)ft.' property, it's probably not going to do you much good as a comp. It's almost impossible to compare two properties that are this different—it's the real estate equivalent of that old idiom, "you can't compare apples to oranges."

If you do have a 1,000 square (sq.) ft.' property on the table, look for other homes in that range—ideally, about 900 square (sq.)ft.' - 1,100 square (sq.)ft.' or so. The closer you can get size-wise, the more accurate your assessment will be.

Proximity

Ideally, you'll only be looking at comps within a one-mile radius of the property you're considering. Don't look at houses across major highways, busy roads and rivers/canals. The closer the proximity of your potential investment property and the comp, the better.

That said, be sure you're factoring in the area itself when considering proximity. For example, some properties may be sitting on five acres of land—or more. If that's the case, you'll need to extend your radius considerably. At the same time, if you're in a very condensed area—a major city, for example—you may want to decrease your radius to ½-mile or less.

Type of Property

When analyzing properties, be sure you're taking into account the three basic types of properties:

1. REOs
2. Short Sales
3. Private Sales

Since this property will, ultimately, be fully renovated, you should use private sale comps of houses in great shape to determine the ARV. The area surrounding this property should have a good number of private sales—if it's mostly REOs and short sales, be wary. This could be a risky area to invest in. Look for "strong sales activity"—in other words, a steady number of private sales.

Sold Comps

Be sure you're focusing on sold comps. While it's great to see what's on the market, sold comps show you what people are willing to pay for local properties, and that's critical to determining an accurate ARV

Timeframe

Aim to use comps that are as recent as possible. A week-old comp will be much more relevant to your calculations than one from a year ago. A good rule of thumb is to focus on comps that are less than 3 to 6 months old.

Keep in mind that, when a property is purchased, it takes about four to eight weeks until that property is rehabbed and back on the market— sometimes more. By the time an investor is ready to resell a property, that 90-day comp they anchored their ARV in is now four or five months old.

Those elements are all critical to determining the value of a property and, specifically, the potential ARV. But there are plenty of other elements that can factor into a property's value. By looking at these "nice to haves" you'll be able to paint a better picture surrounding the property's potential, including its value today and tomorrow.

Here's what to assess:

- **ACTIVE COMPS —** These are active properties on the market—AKA your competition.
- **DAYS ON THE MARKET (DOM) —** In assessing active comps, look at the number of days each has been on the market. This will give you a good indicator as to how fast properties in the same price range as yours are selling. You should also look at DOMs for recently sold properties—compare the list date to the date the property went into contract to calculate the DOM.

  On its own, a property's DOM tells a story. For example, if you see a property listed for $200,000 that only spent five days on the market, it's usually safe to assume that property went for close to list price. However, if that same property has a DOM of 200+ days, it was probably priced too high.
- **PENDING COMPS —** Pending comps are properties under contract pending to be sold. Keep in mind that, until a property closes, you won't know the final sale price. But the DOM here will help inform your assessments.

You'll Need…

In a perfect world, you'll have at least three or six solid comps, all less than 3 to 6 months old, all within a one-mile radius (or less), with similar features. If you can't find at least three comps that align, there's likely not enough sales activity to support a strong ARV. And, especially in the beginning, you want to be very certain in each of your investments—and that means being certain the ARV aligns.

ESTIMATING PROPERTY REPAIRS

When you secure a deal, and go under contract and start the first stage of due diligence—the home inspection process—you'll want to have a good sense of the property including what, if any, major repairs are needed. While you'll have a chance to amend your offer following the home inspection, it's important to be able to assess things on your own ahead of the offer, since this will weigh heavily on the offer you make.

Even if you don't have a background in real estate or construction, you can still become an expert at estimating repairs.

As a real estate investor, a big part of your job—and your success—is spotting potential. The majority of properties you'll see will not be move-in ready. While many end buyers and, even, investors would walk away, you need to be able to see past interiors that's in need of some serious updating and renovation. You need to see what's cosmetic and what's a major (read: costly) structural issue. If you can, you'll be in a prime position to make some serious cash as a real estate investor.

Take it from me—I can't hang a picture and I'm not particularly good with a paint brush either. Even so, I've successfully flipped tons of houses in the last decade. My handyman ability—or in this case, lack thereof—hasn't held me back one bit.

But, even so, every time I talk to students or other first-time investors, this area—estimating repairs—seems to give them some pause. The stakes are high; I'll give you that. A misstep in calculating your repair costs can wind up costing thousands of dollars or more in profits at the end of the day. It can, truly, make or break a flip.

Because we're wholesaling, you won't need to worry about doing any repairs yourself. The end buyer or next investor will. You're contracting the property as-is, and so are they.

But, by coming to the table with a good repairs estimate, you'll be able to negotiate a better purchase price and build credibility with your buyer. You'll also be able to get a potential buyer up to speed more easily—by having repair estimates, they'll know exactly what they're walking into from day one.

Even though this stage is important, don't stress if you screw up in estimating repairs, especially in the beginning. Your purchase contract will be packed with contingencies that enable you to cancel the deal if your home inspector finds major flaws. You'll also be able to use feedback from potential buyers to negotiate an even better deal for you—if your prospective buyers spot things you didn't, you can take that back to the seller and ask for a lower price or added concessions. Granted, you won't tell the seller you got that intel from a potential buyer—you'll simply say more issues came up during inspections when your contractor toured the property and, now, you need a price reduction.

If you can get yourself to a place where you can quickly and accurately assess repair costs, you'll be able to make more offers even faster. This will, ultimately, save you lots of time while making you lots of money.

But that trick, again, is to be quick AND accurate. You want to get the best properties into contract and close, so you can't spend tons of time working through repair estimates. At the same time, though, you don't want to have your potential buyer point out issues during their initial walkthrough. If you can balance the two—be quick and be accurate— you'll build a rock-solid reputation as a good wholesaler, and will begin to cultivate a list of potential repeat buyers. They'll know that, if you say it's a great deal, it likely is.

Remember, as a real estate investor your job isn't just to make money—it's just as important you make your buyers happy. The more profitable your buyers are, the more likely they are to buy from you in the future. So, doing what you can to ensure both you and the buyer are profitable is key to building your investing business. Don't let yourself get so caught up in the here and now that you stop thinking about tomorrow.

Let's move on to the tactical side of things.

So how do you estimate repairs quickly and accurately?

And how do you determine what needs to be done prior to resale? You should enter your inspection notes and use pictures.

In every property needing repair work, you'll find two kinds of repairs: ***cosmetic and structural***.

Standard cosmetic repairs include some fairly basic updates and upgrades:

- New flooring, including carpet and hard surfaces
- Painting, both inside and out
- Baseboards
- Electrical fixtures
- Plumbing fixtures
- New kitchen, including cabinets, surfaces and appliances
- New bathroom(s), including cabinets and surfaces
- Blinds/Window treatments
- Doors
- Basic landscaping

Even if you've never flipped a home before, you can likely recognize the need for these updates the second you walk into a home or see pictures. These homes often feel outdated or lack that wow factor. A few coats of paint and some simple upgrades could make all the difference.

Some properties, though, have major issues that can cost a lot to repair. Often these are structural issues—and often there are obvious signs that will pop during an inspection. Structural issues can include cracks in the foundation, among other things.

There are also other problems with properties that, while not structural, can still cost a lot to repair.

These problems include:

- Water damage, which usually leaves behind water stains, rippled or flaky paint, or a musty odor.
- Water line problems and other issues with water coming into or going out of a property; look for sinks that drip or don't work at all as well as leaky toilets, pipes and water valves.
- Termites, rodents and other pests, which often leave very visible evidence behind include holes and other points of entry, chewed up pipes, walls and floorboards; rodents may also leave droppings behind.
- Dry and rotted wood anywhere inside or outside of the house.

If a house is 20-plus years old, it may also need some standard updates and upgrades. Also, HVAC systems, roofs and water heaters tend to need repairs and replacements every 10-20 years. Depending on when you're assessing the property, it may be time.

Like I said, virtually every home you'll encounter needs some basic cosmetic upgrades—the painting, fixtures, door, etc. To quickly determine repairs, I use what I like to call my "Insta Quote" approach—or "IQ" for short.

The **IQ system** is an easy way to estimate repairs, even if you're new to the process.

Instead of going line by line and guesstimating what each update will cost, I use…

- $5/square foot if the seller says the house doesn't need any work.
- I use $10/square foot if it needs some work.
- And I use $20/square foot as a good approximation if the house needs a lot of work.

Again, since this is just meant to be an estimate, it's OK we aren't going through each room piece by piece.

My rule of thumb? Make sure your repair numbers get the property in line with neighborhood norms. If you've done that and a potential buyer still makes comments about repairs, don't be too quick to revise your price. Instead, review their comments and repair feedback. If you think what they're saying is valid, you may want to consider renegotiating with the seller to get a discount on your acquisition price. If not—if you think they're just trying to get a better deal—you may opt to hold firm on your offer and asking price and continue marketing the property to find another buyer. Ultimately, it's up to you.

After you close on your first few deals, you'll find assessing repairs and the costs associated gets easier and easier. A word to the wise, though— even though it feels easier to assess and estimate, don't cut corners and don't let yourself get too lax about things. Even a small mistake can cost you tens of thousands of dollars.

That's, often, where your power team members come in. Your power team should include the pros you need to get the deals done. While this team will grow over time, in the beginning it should include the following pros:

- Real Estate Agent
- Contractor
- Closing Agent at a Title Company

This team can help you determine good estimates for your wholesale deals, determine ARVs, repair budget and, ultimately, help market and close your deals. You'll also discover that, despite there being lots of moving parts, it's important not to overthink wholesaling. At the end of the day, you're only controlling the real estate end—you won't be rehabbing or taking ownership of the property.

Your team will help guide you down the right path, especially in the beginning.

ASK THE SELLER ABOUT REPAIRS

Keep in mind when you're conducting initial seller interviews that, chances are, you won't get the whole truth.

If you ask, "does this property need any major repairs?", you'll likely get a big fat NO often. That might be true—but it's just as likely you'll walk through the property and discover its condition is very far off from what you were told.

To get closer to the truth, I find it helpful to ask very specific questions such as:

- What repairs would need to be done to get the property ready for a new tenant?
- When was the last time the bathrooms/kitchen were updated?
- If you were going to stay for another year, what repairs would you have to/want to complete
- What if you were staying for the next five years?
- Have you had estimates done for any work/upgrades in your home? If so, what were they for?

More often than not, any omissions on the seller's part aren't meant to deceive or mislead. It's important to keep in mind that this is the seller's home and, likely, has been for some time. They have an emotional connection to the property and, in their mind, it's a great house. So, take what they say with a grain of salt and make sure you're giving every property a solid once-over.

DUE DILIGENCE: PROPERTY INSPECTION

As you've probably noticed by now, I'm all about risk—calculated risk, that is. There's no part of me that wants to jump out of the plane without a parachute and hope for the best. And I'm not interested in rolling the dice and seeing what happens. Instead, I'm about rolling up my sleeves, getting the real lay of the land and making a smart, strategic decision for myself and my business based on all of the information presented.

In other words, I'm interested in doing my due diligence on every single property every single time.

So, what, exactly, is ***"due diligence?"***

This is a period during which the buyer or investor investigates the property, making sure everything is as they expected it to be. You'll inspect the property, look for any major repairs you weren't expecting and, overall, make sure everything is where you need it to be to make a profit. After that, you can move forward with the purchase.

There are two phases of due diligence. The first due diligence phase is done before you go into contract—this is the inspection phase. That includes the repair estimates outlined immediately above.

The inspections, walkthroughs and repair assessments done during stage one will estimate out any repairs needed to the property. After this initial inspection, you can decide if you want to move forward or not, or if you want to ask for a price reduction or additional concessions based on the findings. Be on the lookout for "The Big 4"—items that are very costly to repair. This includes roofing issues, air conditioning, plumbing and electrical problems.

The second stage of due diligence happens after you're in contract. During this period, the title company gets involved to make sure the title of the property is clear. They'll also check for any liens or other existing issues that stand between you and a clear title.

While it may seem like an intense process, never skip out on due diligence. Done right, it should take one to two days. Ignored, and you could wind up with endless headaches—and endless expenses— in the not-too-distant future.

CRUNCHING THE NUMBERS: DOES THIS DEAL MAKE SENSE?

For starters, you'll need to calculate the Maximum Allowable Offer (MAO) for each and every deal. The MAO is the highest price you can safely offer on a property, and allows you to manage risk. With risk in check, you can make offers without fear or hesitation.

Think of the MAO as a quick hit estimate before you dig into the deal and the exact offer you'll want to make. It's an important step because, by working backwards from your potential profit, you can get a better sense of what makes sense, offer-wise.

IMPORTANT NEED-TO-KNOW DEFINITIONS

ARV: After Repair Value (ARV) is the number that represents the value of the property after it is rehabbed. This number should be close to retail value. This is what the property would be worth if it were in perfect condition.

MAO: The Maximum Allowable Offer (MAO) is the maximum offer a rehab buyer can offer to a seller to ensure maximum profit and minimal risk.

AWP: Acceptable Wholesale Profit (AWP) This is your profit margin or the minimum amount you would like to make wholesaling the deal.

WMAO: Wholesale Maximum Allowable Offer. This is the maximum number you should offer on the property after subtracting your AWP from the MAO when knowing you will wholesale a property.

Calculating Your Maximum Allowable Offer (MAO)

So now the important part—how to calculate the MAO on a deal.

1. Calculate the ARV by averaging the prices on recent and supported comps
2. Multiply this number by 0.65
3. Subtract your estimated repair cost
4. This number is your MAO

Keep in mind, this formula accounts for closing costs of 5% and a profit/error margin of approximately 30%. Your MAO calculation may need to be altered slightly based on the specifics of your deal.

Because, at the moment, we're focused on wholesaling properties, be sure to subtract the ACCEPTABLE WHOLESALE PROFIT (or AWP for short) from the MAO. That's the desired profit you'd like to make on this deal. This will give you your WMAO (your WHOLESALE MAX ALLOWABLE OFFER), which is the maximum amount you're willing to pay on a contract that's slated to be reassigned.

HOW TO CALCULATE MAO

Let's say you've calculated the ARV for your latest wholesale deal to be $200,000. It will take $40,000 in repairs to get the property to this ARV. This, again, is based on your home inspector/contractor assessment, plus comps and any other marketplace conditions.

Once you have the ARV, here's what you'll do to calculate your maximum allowable offer (MAO):

1. $200,000 x 0.65 = $130,000
2. $130,000 - $40,000 (repairs) = $90,000
3. MAO = $90,000

Because you're wholesaling this deal, you need to, next, calculate your wholesale maximum allowable offer (WMAO). To do this, take the MAO you've calculated and subtract out your fee. In this case, you've determined your fee should be $10,000.

4. $90,000 - $10,000 = $80,000
   WMAO = $80,000

In this case, the *most* you should offer for this property is $80,000. If you can get the price *below* $80,000, you'll have some wiggle room with potential buyers—*or* could wind up with some extra profit for YOU.

Now, keep in mind that as a wholesaler, the majority of your buyers will be other real estate investors and rehabbers. To be a great wholesaler—to negotiate the best deals and almost guarantee selling the property quickly with a sizable profit—it's important that you understand what an investor or rehabber's MAO needs to be to make them profitable. Put yourself in their shoes. This will help you calculate the perfect purchase price every time—a win/win, so you're both profitable.

Like anything, there are always exceptions to the MAO rules.

While I don't suggest going crazy and deviating from your MAO every time, there are some instances where you may want to consider making an offer outside of your calculated MAO. For example:

- You live in an area where investors work on smaller profit margins
- You are selling the property to an end buyer looking for a specific product—and, as a result, will buy at or above market value
- You have a buyer who does their own work on the property.
- Keep in mind it's always important to have an exit strategy in mind when working outside of your calculated MAO. Without a firm grasp of what's next, you could lose serious profit, even on the best deal.

In fact, I'd even go so far as to suggest you have a proven buyer—a really solid buyer—that is on the hook before you secure deals to purchase them at higher than the recommend MAO. Think about it—if your buyer backs out, what next? You'll have contingencies in your contract with the original seller, but that could hurt your reputation as a wholesaler, especially if you're buying from someone else in the industry.

So before considering going down this route, make sure your buyer is vetted and proven. Have them provide you with a verifiable POF (proof of funds) and also have them put a nice non-refundable deposit down when you secure a deal for them.

PRESENTING YOUR OFFER

Strong negotiation skills are incredibly valuable in real estate. Without an ability to negotiate quality deals, all of the lead generation in the world, is essentially useless. What good are leads if you can't close them?

The most successful real estate investors are the ones who are able to connect with people quickly. Your success as an investor, will be in direct proportion to your ability to get people to like and trust you.

So, now—drumroll, please…

It's time to present your offer to the seller. If you're still scratching your head about where the money is going to come from, don't worry.

Remember the first few steps in the 7-step process. First you have the Foundations. Then, you need to find it, figure it and THEN fund it. At this point, we're still on the "figure it" step.

After you've secured a property under contract, you'll need to come in with the cash and get the deal to close.

Our industry is a fast paced and highly competitive. If you see a property you want to lock down, it's essential you ACT—getting the property to contract and blocking out the competition. If you spend too much time stressing about how to connect the dots, you could risk losing the deal altogether. As a real estate investor, you gain control once a property is under contract by you. It's at that point the seller must stop entertaining other offers—but until then, it's anyone's game.

You need to present your offer. You need to secure the deal first. *Then* you need to concern yourself with the specifics of the property, market and funding sources you may or may not need to close the deal. So, don't worry just yet. We'll get there—and we'll get there together.

This is a stage in the process where many engaged, informed real estate investors start to fall off the track. We've been conditioned to be so focused on cash and closings, that we can't see anything else. In these scenarios, real estate investors get so bogged down thinking about financing and shoring up funding sources that it paralyzes them. They don't make the offer in a timely way and they, ultimately, lose out on the deal.

What these investors don't realize is that they don't need money until the "fund it" step. And, better yet, money is much easier to find at this stage of the process—once you've secured that great deal. But to get to the funding step, you need to successfully progress through these first three stages.

GETTING THE SELLER ONBOARD

Before digging into this piece, remember this: you are an investor and it's your job to solve sellers' problems. You make money by solving sellers' problems. And those problems, keep in mind, are the seller's problems. They aren't yours—you're simply there to help them get the resolution they're looking for. Remember, equity for peace of mind.

All that should stand in your way then would be:

- A seller's lack of motivation
- Market conditions

And you have no real control over either. So, stay focused on getting your seller's buy in, and helping best solve their problem.

The Right Positioning is Essential

In gaining seller's consent, positioning is essential. You want to position yourself and any relevant information in a way that increases the likelihood the seller will say YES. When they do, it's a win/win for both of you—the seller's problems are solved, and you get a major payday.

Here's a foolproof approach to proper positioning:

1. Position yourself as the seller's ally or partner in solving the problem at hand. You're never their adversary, but instead, always their ally.
2. Position the market as the opponent or enemy standing between the seller and resolution. It's you and the seller taking on the market, together!

You can seamlessly weave this positioning in when you present your offer. Which, ultimately, should be simple, clear and direct. Something like this…

> *"OK, [NAME OF SELLER]. I reviewed everything and put together an offer I think makes a lot of sense. We really need to be aware of what the market will allow for right now. I've done some research on what similar houses are selling for in the area, I've added up the repair cost and a small profit for myself. After adding up everything, I have an offer. Again, this is what the market will allow me to pay right now. If this works for you I can get everything written up right now and we can start working towards closing. You'll be able to put all of your challenges behind you. Here you go…"*

After you've spoken your piece, simply hand the seller your offer. Say nothing, just hand over the offer and wait for their response. They may reject, counter or accept—speaking too much at this point could sway their decision in the wrong direction.

In any negotiation, you want to present your initial offer and wait. Stop talking. Reach out your hand. Stare directly into the seller's eyes. If they say yes, shake their hand, congratulate them on the sale and say nothing else. Simply fill out the contract, review it with them and get their signature. The less you say, the better.

If they say no—which, in most cases, they will—put your hand down and ask them what's keeping them from signing the contract right now. Then put your active listening hat on and really lean in. Sellers want to know that you really hear them and that you aren't just trying to get one over on them. If they sense that, they'll likely move on to another buyer.

HANDLING SELLER OBJECTIONS

Objections happens—let's get that out of the way right now. Because you'll be presenting a low offer and working your way up from there, it won't be uncommon to get at least some push back from sellers. Knowing how to handle these objections, then, is critical to your success as a wholesaler.

While there are infinite reasons a seller could object, often I find it comes down to three things: price, competition and lack of urgency. If you run into one of those objections, try these responses to help get your negotiation back on track.

OBJECTION 1: "That's too low. I really need to make $X out of this."

If a seller objects on price, take a minute and show them you're really thinking about it. Then say:

"This is your home and I completely understand why you were hoping for [AMOUNT]. I would, too. But one of the challenges with real estate right now is that we all have to be realistic and consider what the market looks like and what people are spending for homes like yours. And, right now, I think it's [OFFER AMOUNT]. But let's do this—I will call my partner and explain where we are and where you want to be. We can't overpay, which I'm sure you understand. But before we walk away, let's see if there's any wiggle room here. OK?"

Then go outside, go to your car or walk across the street and make a call—to your spouse, your sibling, your friend. It doesn't matter. Chat for a few minutes then go back to the seller and say:

"OK, [SELLER'S NAME]. Here's where we are. I talked to my partner and we're going to revise the original offer and increase it by [AMOUNT OF INCREASE] to [AMOUNT OF NEW OFFER]. It's not your number—I know that. But it's a very competitive offer all things considered. And, on top of this, we're going to pay your closing costs. So, you're going to save quite a bit because we're covering those cost for you. [PAUSE] What do you think, [SELLER'S NAME]? Do we have a deal?"

OBJECTION 2: "I have other investors/buyers coming to look at the property. I want to see what they have to say before I accept your offer."

This seller is savvy—they know that competition can move the needle in their favor. In reality, they may or may not have other prospects lined up. You don't want to lose the deal, but also don't want to start outbidding a buyer that possibly doesn't actually exist. Try this, in response:

"That's great, [SELLER'S NAME]. And if I were you those other appointments would probably be kicking around in my head, too. But here's where I am—I just want to make sure I'm being crystal clear: I'm here right now and making you an offer. They aren't. I can write up a sales agreement in a few minutes once I get your OK. They can't. They could come here later and offer you even less than I'm offering you now.

So, again, I'm willing to offer you [AMOUNT] for the property and get the paperwork together now. But if you want to wait, I understand. I also have other appointments today. And, while we're definitely interested in moving forward with your property, I can't guarantee I'll be able to once I leave here. It all really depends on what I see later today."

See how the seller reacts. If they hesitate, try adding:

"Maybe we can take a step back and work something out right now? What do you think?"

OBJECTION 3: "I'm in no rush. I need some time to think about it."

If the seller doesn't jump on your offer in the last scenario, you'll likely hear an objection like this one—I'm not in a hurry. Maybe the seller owns the property outright and is in no real rush to make a move. Or maybe they inherited it, and the maintenance costs are minimal. Either way, this seller has no issue sitting on the property for weeks or even months—and that can derail you in closing this deal. Your response?

"Understood. But let me ask you this, just to make sure I'm clear—if you got a great offer right now, you'd be willing to sign? Is that right? An offer that, let's say, helps you [INSERT THEIR WHY] and leaves a few bucks in your pocket after close. Am I understanding?"

Then you see what they say. Usually, the seller will nod in agreement. So, I'll add:

"How about this? How about you toss out a number that you'd be comfortable with—a number that would get us into contract right now. I can't make any promises, but I'm happy to take that number back to my partner and see what we can do. Sound good?"

In the end, you'll reach a point where the seller has to reject, counter or accept your offer. Don't jump the gun and be sure you're listening to everything they have to say.

Once they've fully articulated their response, here's what you do.

If the seller rejects your offer, say something like, *"I'm sorry we couldn't find a solution. If you change your mind, call me."* Then move on.

If they counter, it's your turn to reject, counter or accept. Should the counter offer still allow you to achieve your minimum desired profit, then you can accept it? If not, counter back. You can go back and forth as much as you'd like until an offer is rejected or accepted.

If the conversations seem to stall during the counter period, I often try a simple negotiation tactic called, “let’s meet in the middle.” It’s exactly what it sounds like—it’s asking the seller to meet you halfway. I usually say something like this:

“It looks like we aren’t going to be able to come to an agreement today, [NAME]. Let me do this—let me step outside for a minute and call my partner. I’ll tell him where we are and see what he says. Hang on.”

YOU ANSWER TO A HIGHER AUTHORITY...

Notice in many of these conversations, I position myself as being part of a partnership—I have to call my partner and see what he wants to do, for example.

Guess what? I don’t have a partner. I might be stepping out and calling my wife, my friend or my assistant. Who knows? But layering on a “higher authority” is a good tactic in negotiations. If you don’t have one you risk backing yourself into a corner. If you do, you can always blame your partner—my partner said this is the best and final offer is a much better thing to say to a seller than this is MY best and final offer.

Not only are you positioning yourself as the good guy, every time your “partner” comes up, the seller feels like you went to bat for them. That’s a great way to build a strong relationship between you and the seller. They walk away feeling like you have their best interests in mind.

As you did during earlier objections, step outside and call someone—whoever. After a few minutes, come back in and say:

“OK—good news. I have a final offer from my partner and I think it’s very competitive. I think this could be THE NUMBER. You wanted [THEIR ASKING PRICE] for the property. I offered you [OFFER AMOUNT]. We feel like, at this point, let’s end the back and forth and just meet in the middle with [REVISED OFFER AMOUNT]. It’s not your number, but it’s also not my number. That’s why I think it’s a good solution. It can definitely satisfy both sides. Wat do you think? Can I go ahead and write this up?”

Then wait. Chances are, you’ll either get a rejection—or get an OK. Which means…

IF THEY ACCEPT YOUR OFFER…

Congratulations! You’re one step closer to closing a deal.

Even if this is your first time negotiating and managing objections like these, don’t worry. You’ll do well more often than not if you keep two things in mind:

- The market is the enemy, not the seller
- It’s not your problem, it’s the seller’s problem

This thought process is very direct and it’s the exact presentation I use to build my real estate business. This is all you need to secure a deal; a deal that you haven’t put down a penny on yet.

Setting a Closing Date

Now, besides the actual cash associated, a big piece of writing your offer is setting a closing date. While it's tempting to rush to close—and while you may be pressured by the seller to do so—try and extend the date as far out as possible, ideally 30-45 days. You'll be using this time to flip the property, so more is always better. The more time you have to find a buyer, the more likely you are to successfully flip the property.

At this point, many students I work with start scratching their heads—we did tell the seller we'd close quickly, didn't we?

Here are a few things to keep in mind:

- Thirty to forty-five days isn't a particularly long close—in fact, it's average. The average close period in the U.S. is about four to six weeks depending on the market, but some can take much longer. It's not uncommon for a home to be in escrow for three to four months. So, be confident and go from there.

- It's important to know that many cash buyers can move to close in a week or two, this is a different scenario—you aren't the end buyer. While the seller doesn't need to know that, it's something to remember as you're negotiating.

- The seller may not want to move out in a week or two—that can be an issue with super quick closes. Present your closing date with confidence and, chances are, the seller will agree.

And if the seller wants a shorter close? I usually say something like this:

"Typically, I would move to close very quickly. But, right now, my funds are tied up in other deals that I'm closing this month. Once those close, though, I'll be able to move forward with this sale. Worst case, one of my funding partners will come by and check out the property, and we'll be able to move forward from there. That may even enable me to close on your house sooner. But, for the sake of this contract, let's commit to a timeline I know I can do—let's commit to close on [INSERT DATE]. If all goes well, though, we can look to move the closing date up."

If you find a buyer sooner, you can move to close faster. But, if not, you've bought yourself some extra time.

Either way, though, time is of the essence. It's incredibly important to have a qualified cash buyer list at this stage of the game—more on that later. But, in short, having a list of cash buyers at the ready enables you to send a quick text message or email and drum up interest in minutes. And when you have to flip a property in a few weeks, that's very important. We'll dig into the importance of these lists and how to build and market to yours later.

PREPARING TO GO INTO CONTRACT

When you're at the offer-making stage, it's important to have all necessary paperwork ready. This will help protect your interests—the property—by keeping things moving forward. If you're ready to go into contract immediately, you'll never run the risk of losing time—or the deal.

The most important documents you'll need on-hand is the Real Estate Purchase and Sales Agreements. This is also known as the "contract." Your contract is a vital tool that commits the seller to the negotiated terms of your agreement.

There are a few key pieces you need to include in every contract. For starters, be sure you're adding "and/or assigns" next to your name or the business name that's buying the property.

So, it should read:

YOUR NAME and/or assigns

These are essential words to include in every Purchase Agreement. You need this phrasing in place to be able to assign your rights to the property to someone else—in other words, the real estate investor or retail buyer who you're selling to. By including this assignment language in your contract, you're also letting the motivated seller know you're likely going to flip the contract to someone—a new buyer, your partner, someone else at your company. It doesn't matter. Either way, though, you're signaling to the seller that this is a wholesale deal.

If the seller has questions, I simply tell them that this phrasing gives me the option to close under a different name if need be—if I, for example, bring in a partner or another buyer. At this point, I always assure them this deal will get done and this language simply ensures that I'm able to close as quickly and seamlessly as possible.

If you use my contracts, this language is already integrated, so you definitely won't forget. If you use a different contract, though, you'll want to make sure this is included in all of your agreements.

When you complete a Purchase Agreement, there will be a few details to hammer out with the seller, including:

- **Purchase Price**—ideally the lowest purchase price possible
- **Earnest Money Deposit**—the least amount of earnest deposit possible; remember, this is fully refundable
- **Close Date**—the farthest out close from the escrow date
- **Closing Location**—where the closing will occur—usually your closing agent's office (make sure they are investor friendly)
- **Closing Cost**—in most cases, you should opt to pay the seller's closing costs plus your own.
- **Inspection Period**—how long and when it starts/ends; make this as long as possible

Chances are, you negotiated all of these pieces already—likely when you positioned your offer. So, this stage of the process should be fairly seamless.

One of the biggest hurdles standing between first time investors and that very first deal? Making the offer.

Why?

Because many new investors are terrified the seller will say YES.

It's true. Many new real estate investors are afraid the seller will agree to sell to them, and that they'll be on the hook for that property if they can't find an end buyer. In other words, these first-time investors are afraid of what comes next.

If you're feeling unsure, know this: contingencies are your "escape clause" or safety net. Contingencies are outlined in every agreement and help reduce your risk.

They also allow you to back out of a deal without losing your deposit if need be.

Common Contingencies Include:

- INSPECTION—if you aren't comfortable with the results of your home inspection, you can cancel the contract. So, if the report comes back and, suddenly, the deal isn't profitable, you can back out. In my purchase agreements, I'll include an inspection contingency that extends up to 14 days. If it's a very hot deal and I'm worried about competition, I may put a shorter window so I can speed things along a bit.

- FINANCING—if you aren't able to secure financing for the property, the contract can be cancelled and any earnest money will be refunded. While, as a wholesaler, you aren't planning to fund your deals, this is still a powerful clause to include. If you can't find a buyer to flip the contract to, you can always try to exercise this clause to cancel the contract.

- APPRAISAL—similar to the inspection clause, an appraisal clause states that if the home appraises for less than the sale price, the buyer and seller have to renegotiate or cancel the deal

- TITLE CLEARANCE—this states that the person selling the home must own the home, and that there are no issues that will prevent you from taking over the title (For example, liens)

DUE DILIGENCE: CONTRACT & ESCROW

As I mentioned earlier, due diligence is an essential step in the purchase process. Every real estate investor varies a bit when it comes to due diligence. There's no right or wrong as long as you do your due diligence—and that includes both stages of it, the inspection and the title investigation.

To reiterate, due diligence is important because:

1. You want to learn more about the property to ensure there are no surprises after close—surprises that could cost you time, money, or even, get you into legal troubles.
2. If applicable, you want to find reasons to ask the seller for a discount or other valuable concessions. During your home inspection, the inspector you hire will be on the lookout for problems with the property. If they spot any, you'll have the option to ask the seller to lower their cost, pay for repairs or take on some other concession that can save you money and make your deal more profitable. While you'll pay about $200-$500 for an inspection, the money you could save in the short and long-term can be significant.

If you're truly low on cash and can't come up with the money to pay a home inspector, tap a local contractor or handyman to come survey the property and give you a free repair quote. While they may not be as thorough as an inspector, it's much better than going into closing blind.

The escrow phase, in many ways, is your prime problem-solving due diligence period. By now you'll have completed the first due diligence period—the inspection—and will be entering into the second. At this stage, you haven't closed yet but are well on your way.

Once you're under contract, you have two options. You can buy the property yourself or you can wholesale it. If you go the wholesale route, you need to look for another investor to assign your contract to—in other words, you can wholesale the property, and typically, generate a $5,000-$20,000 plus assignment fee for your services.

If you wholesale the property, you won't need any money at any time—you just need to find a real estate investor buyer to assign the contract to before your contract expires.

So how to do THAT? First things first, though—you need to open escrow.

To open escrow, you'll need to tap an escrow officer, title company or attorney—going forward, I'll refer to these as the "closing agent." Which one you use will be dictated by the state you're doing business in. Different states have different escrow policies and standards.

When you make an escrow payment, this money goes to the title company to secure and bind your deal. Once the payment is received, you're officially "in escrow."

Why You Should Get A Larger Deposit From Buyers

As a real estate investor, when working with a private seller it's typical to commit to a low escrow amount. You can literally open escrow with $1, if the seller agrees. However, I recommend $500 - $1,000 or more as earnest money deposit, to show you're serious.

However, when you're working with an end buyer—be sure to ask for more earnest money than you've committed. I typically ask for a minimum deposit of $2,000 to open escrow. This shows they're committed to the property, and have the cash on hand to get the deal done.

Another reason? If the deal falls apart, you still make money from the buyer's non-refundable deposit after the seller gets their portion of your deposit.

All of this is part of the second stage of the due diligence process. And this is, often, the period when other challenges arise.

Keep in mind, it's not uncommon for issues to pop up. So, if something comes up, don't panic and don't get emotional. There are very few problems in real estate that truly can't be resolved. Chances are, even the biggest issues have a simple solution. And should those issues not be able to be cleared up, your closing agent will help you and the seller determine next steps— if you're going to proceed, or going to cancel the deal.

During this stage, you're also going to want to call your attorney, title representative or closing agent to pull a preliminary title report. This will give you an overview as to what, if anything, is attached to the property that could impact ownership—things like a mechanic's lien, overdue property taxes, judgements or easements. Ask your title rep to help you interpret the preliminary report. The goal here is to make sure you have a clear and marketable title for the property.

The most common issue you could encounter while investigating the title is that it has an ***outstanding lien***.

Liens are outstanding debt owed by the homeowner—until those debts are paid or otherwise discharged, the owner cannot legally sell their house. Liens are most commonly issued for outstanding debts related to:

• Mortgage payments
• Code Enforcements
• Federal taxes/IRS
• Child Support

If there are liens, the sellers will often pay those off from the money they receive selling the house to you—so, typically, this is a solvable problem.

Property Inspection

Keep in mind, during the second due diligence stage, you're well within your right to inspect the property again.

It could be an "official" property inspection, you could do your own walk-throughs, or you could ask your contractor or a local handyman to come with you and see if anything is amiss. If you spot something, this is the perfect time to ask the seller for an additional discount or concession based on findings.

Showing the Property To Buyers

During this stage, it's also important to start showing the property to potential buyers.

You should start this process as soon as you have entered into a contract to buy the property. Once all parties sign the agreement you can—and should—be shopping it around to ensure you have a cash buyer on the hook to close on the deal.

It's also important because you likely only have a 14-day inspection period. Problems with inspections will *always* be your major "escape" clause—the clause that helps you wiggle out of deal and get your earnest money back should you decide *not* to pursue a particular property.

If the property is occupied, I always accompany potential buyers on any walkthrough. You always want to stay in control of your deals. While it doesn't happen often, the last thing I need at this stage is for the seller and prospective end buyer to start talking and realize they can both get better deals working directly—in other words, without me. Although contracts have been signed, it's still possible for the seller to cancel the deal.

Even if that doesn't happen, a seller could easily disclose the terms of the deal to the prospective buyer, which would put me at a major disadvantage when it comes to negotiating with that buyer. They'll know what I stand to make, and know the wiggle room they have. In both scenarios, the end buyer wins.

If the seller does see a prospective buyer walk through the property with me, I tend to position them as business partners, associates, contractors, clients or even, potential tenants (if applicable). This makes the seller more comfortable, which can soothe any ruffled feathers and keep things on track.

MAKING SELLER CONCESSIONS

In real estate, everything is negotiable, even after you're in contract or in escrow.

REMEMBER THAT! And write that down…...   EVERYTHING in real estate is negotiable.

It's perfectly fine to ask for discounts or concessions during the second stage of due diligence, should you find some costly issue or repair during your investigations.

It's also normal for the buyer—YOU—to offer the seller various concessions or add-ons to sweeten the pot. For example, it's typical for investors to pay closing costs for themselves and the seller. This saves the seller thousands or even tens of thousands of dollars, and makes the deal more valuable to them. This is one of the reasons they'll, likely, accept a lower purchase price.

But you can do more, depending on the situation. For example, in most sales the seller pays their own pro-rated taxes until close. However, if you're working with a seller who's behind on their tax payments or whose tax payoff exceeds the purchase price, I will often offer to pay some or all of it —provided the numbers make sense and I can still make a profit, of course.

I've done this many times with taxes, child support liens, moving expenses and a host of other financial hurdles. If I spot a great deal, I'll do whatever it takes to get it done—again, as long as I'm walking away with a meaningful profit at the end of the day.

Like everything so far, this won't have to come out of your pocket—that's important to keep in mind. Let's say you've offered $1,000 to help the seller move and, for example, you're making $10,000 from the deal. At close, the seller gets the $1,000 you promised and you pocket the remaining $9,000 from the funds your buyer closes with. It's as simple as that.

By this stage, you'll have a very accurate opinion of a property's value and what it can sell for, as well as any hurdles that stand between you and a clean close. Your contingency clause gives you 14 days to wrap up your due diligence. Between day 12 and day 14, you'll want to meet with your seller to share the findings of your investigation.

This is a very unique moment in the property sale process. At this point, the seller thinks they've sold their property—they're under contract, after all. They're likely making plans to move and may have even started packing. Their problems have been solved, as far as they're concerned.

Because of this, by waiting until the end of your due diligence period to present these findings, you'll likely find yourself with more flexibility in any future negotiations needs. You aren't violating any rules or ethics in using your allotted time to carry out your due diligence. You're operating under the letter of the agreement, and well within your rights as a buyer. You're being shrewd—it's the responsible thing to do for your business. And besides, this is the seller's problem, NOT YOURS. Even though you're under contract this is, still, the seller's problem. However, once you close escrow and take ownership of the property it becomes your problem.

That's why it's essential to negotiate the lowest possible price every single time. That extra concession you get at the last minute may wind up meaning extra profit for you, but it can also cover the costs of unexpected repairs the day after you take ownership.

So, how do you make those requests?

Here's a good example of what I'll often say to a seller:

> *"After doing our due diligence and inspections, we noticed some additional [INSERT ISSUES: For example, property damage, repairs needed or title issues]. As a result, we need to reduce our offer by [INSERT DOLLAR AMOUNT— For example, $10,000]. Everything else will stay the same, and we will still close on the date we agreed to. All other terms of the contract will still be enforced."*

Any changes that need to happen, need to happen now, before your due diligence phase expires, so it's important to bring up any new findings and change request ASAP. The seller can, then, agree or not to your new terms or offer. If the seller pushes back, listen and hear them out. Often a little goes a long way—you may be able to throw in something small to satisfy them, and ensure you get the best possible deal.

Keep in mind that, prior to asking for concessions, the buyer and seller had a good deal in place. Chances are, you're still in the same boat you were before asking for a price reduction or other adjustment. If that's the case, it means any concessions you get in this secondary negotiation phase will likely be 100% profit. Or, you can opt to split additional concessions with your assignee or wholesale buyer and pass them on. This will likely encourage an easier, quicker assignment or sale.

Once a final price and terms are agreed to, you now have the option of assigning the property to another investor, buying the property then selling to another investor, or bringing in a money partner and buying it together. It's up to you. But no matter what route you choose, you'll wind up with some hefty cash in your pocket. And, again, that's the goal here—to create more wealth and financial freedom for YOU.

As soon as you have a property under contract, you have the equitable rights to start marketing that property. The rights we're concerned with at the moment are:

- The seller cannot cancel the contract unless you fail to fulfill your obligation within the contract. You've essentially blocked out your competition while you take your time to determine what you're going to do with the property.

- You have the right to inspect any and all aspects of the property that may directly or indirectly affect its value, should you decide to go there. What we're really concerned with at this moment is simply assigning your contract for a fee to another investor.

- You have the right to market the property in the interest of locating an assignee or buyer.

SECTION 4

Flip It

INTRODUCTION TO SELLING YOUR PROPERTY

Now that you've figured out how to evaluate your deal, figure out the numbers, and put it in under contract with the seller, you're now at the point where the rubber meets the road—ready to flip that property!

As soon as the seller signs your contract, you'll need to start marketing your new property and start reaching out to prospective investors and/or end buyers ASAP. In this session, we'll show you how to build a solid list of cash buyers, and how to negotiate the best price with them, to maximize your potential profits.

Marketing Your Property

Once you've got a hot deal for sale, you should immediately start marketing that deal to your existing cash buyer list. If you DON'T have an existing buyer's list, don't worry. We've included some tips and tricks for how to build one later in this section.

With your list in place, simply send an email letting your database know you have a great deal and that you're looking for a buyer. Don't give too much information—a few quick bullets highlighting description and the perks of this particular deal will do the trick.

So, for example, if the buyer can pick up this property for 65% below market value, or the property has solid cash flow, say that. And say it very clearly.

After your core benefits, add a few more bullets about why this is a good investment. Maybe the property is in an A+ school district, sought after neighborhood or close to a college or military base. Whatever the unique perks are, state them clearly and concisely. Be sure to include your asking price then hit send. Your goal in sending these emails isn't to make a sale, but instead, to inspire questions and inquisitiveness from your existing audience.

WORKING WITH OTHER INVESTORS

When wholesaling properties, it's important to look to other local investors when marketing these opportunities. It's a core piece of my investing business, so in most cases, my marketing efforts are geared in this direction and I use headlines that speak directly to this audience. For example:

"Investor Special: 65% below market."

It's very simple, it's very straightforward and it makes it very clear who I'm speaking to—real estate investors.

After the headline I included the zip code as well as some details about the property. Again, bullet points are preferable, just like in your database email. So, for example, I may say:

- Located in Tampa (33615)
- 3-bedroom, 2 bath
- Close to freeways and shopping
- Elite school district

Though succinct, these bullets show economic stability as well as demand, whether the investor wants to sell or rent this property.

At the bottom, I always include a CTA. A good CTA could be:

"Call now for more information on this property or visit [Your Website Address] to see more properties just like this one."

Also, at the bottom, I include some additional details about the property:

- Street address
- Square footage
- Price

Keep in mind, these details are optional. If you don't think price or square footage will help sell your property at this point, don't include them. In fact, I often find the less you include the more emails and phone calls you'll get from potential buyers. Sometimes I put one image of the house—or the best part of the house—in my investor outreach and let that visual speak for itself. Because people will naturally want to know where this house is located, they'll reach out. Call and email volume goes up, and I have more leads to engage.

This too is a great way to build you list of buyers. If someone calls and isn't interested in your property, I use that opportunity to gather their contact info and buying criteria so that next time I can contact them when I get something I think they'd be interested in.

NOT SURE WHERE TO FIND LOCAL INVESTORS?

Google phrases like "cash for houses" on any major search engine. See what companies pop up and go from there. Another great source? Craigslist. Look for ads that include headlines such as, "CASH FOR HOUSES," then check out these investors online or reach out directly.

Email Blast/Test Blast

Mobile is, increasingly, a more popular way to communicate. Catch people on their phones—email and text, specifically—and you'll be more likely to engage and activate them. Check out Lead Sherpa—it's a great platform for sending texts.

Facebook

Facebook is one of the best ways you can market your property for sale. Not only is it free to get started and get posting, with low-cost options for hyper-targeted advertising and lead generation.

To promote your deals, you can integrate a number of these simple strategies into your marketing.

#1. Create a Facebook Post

Post your deal on Facebook and share with your friends, fans and followers. You can post the deal on your personal and/or business page, and encourage *your* audience to like, comment and even share on *their* pages.

Facebook posts can be as simple as copy an a quick pic of the property, or can integrate multiple images, videos and more.

#2. Join Facebook Real Estate Investment Groups

Facebook is also a great place to proactively engage other real estate investors. Be sure to join *every single real estate investment Facebook group* you can. Once you're in, post ALL of your deals in those groups.

All it takes is a simple post—something like this can be very effective:

"I have a smoking hot deal in (state/city/area).
I'm not from this area and I need to sell this property ASAP!"

Even if you don't have a "smoking hot deal"—or any deal, at the moment—say you do…and say you have to sell ASAP. Adding that extra dimension—that you're from out of town—gives that increased sense of urgency and lets prospective buyers know you're SERIOUS ABOUT SELLING…and selling NOW.

Craigslist

Once you've reached out to your list and shared your deals on Facebook and Instagram, move on to Craigslist.

Ultimately, you'll want to create four to five versions of this ad for each property, each time. Experiment with headlines, images, number of images, bullet points and CTAs. See what works and what doesn't. So, like your seller-focused ads, keep it simple:

1. Create Urgency

Here's a good example that's very simple and straightforward:

3Bed/2Bath - MUST SELL ASAP! Please Help!

2. Share the Location of Your Property

It's important to share the property location — but not the address. For example:

Tampa Discount Property for Sale

3. Discounts Offered

Be sure to include the types of discounts you're offering.

LA discount properties—20%-40% BELOW market value" or "#1 source for distressed properties!

4. Contact Information

Be sure to include you website, email and phone number—buyers need to be able to reach you ASAP if they're interested.

You also want to AVOID being too gimmicky or integrating heavy sales speak. If Craigslist gets too many complaints, they'll likely suspend your account.

Also keep in mind that Craigslist isn't a one-and-done. In busier markets you may need to post properties two, three or even four times per day to get traction. By having multiple pieces of creative, you'll ensure your promotions look and feel fresh, helping draw more prospects in.

REIA's & Meetup Groups

Attending local real estate investment meet up groups and networking events is another great way to reach active sellers in your market. Check out meetup.com to find local get-togethers, networking programs and other industry events.Also, be sure to check out local Real Estate Investor Association — REIA — meetings where you can network with fellow members.

If you have the opportunity, don't be afraid to stand up and talk about your available properties in the meeting. Many times, REIA leaders call on attendees to share news from their corners of the business, which presents a prime time to tout your investment properties. Even if you don't find a buyer, you'll:

- Share the details of your deals with a bigger group — they may be able to steer you towards strong buyer leads
- Show your fellow real estate investors that you not only talk the talk, but you also walk the walk. You'll be surprised at the opportunities that arise when investors see you're in the game in a big way.

Link In Signature

This next marketing strategy is so simple, but still, many real estate investors forget about it: include a link to your properties in your signature. If you do this, every time you send an email, the recipient will see your call out (for example, "Check Out Our Latest Properties | Up to 50% BELOW Market Value!") with a link to all of the properties you currently have under contract. Maybe that person is interested, or maybe they share your link with a friend or contact—either way, you win.

Building Your Cash Buyers List

While marketing a property you have under contract, you should be simultaneously building your cash buyer list. Building your list is essential from day one.

Every time a person or business calls and inquiries about one of your properties, collect their contact information and gather their investment property criteria. Do they want commercial properties? Residential? Multi-unit? Are they looking to renovate and flip something, or is this a buy-and-hold? How much work are they willing to do?

Once you've gathered their information, add them to you list so you can contact them when you spot a deal that meets their criteria. And this can be the foundation of your buyer list which, as I've mentioned a few times in this program, will be a key piece of your marketing strategy.

The end goal in creating a buyer list is to constantly have prospective cash buyers ready and anxious to buy your deals. When you get a property into contract, like I said, flipping it is no harder than sending a quick text or email to your list. What could be easier?

Done right, your list will include many savvy investors looking for great deals, plus other key contacts you've gained from your networking efforts. Done really well and the people on your list will be fighting over your latest flips, competing to get the contract. When that happens, the value of your deals goes through the roof and you generate massive profits. To get more and more people on your list, you'll need to start pulling from a few places.

Your Network

Your network is a powerful force. Not only will it generate motivated seller leads, but it will also help you turn up cash buyer leads. Keep all of your professional contacts on your list, plus, of course, all opt ins. Most database programs will provide a function of categorizing your leads, so you can keep everyone straight and segment them as needed—for example, seller leads and buyer leads.

MLS (Multiple Listing Service)

Multiple Listing Service — MLS — is another great and totally free way to build your cash buyer list. Licensed real estate agents and brokers list their for-sale properties on MLS. Sites like Zillow, Trulia and realtor.com pull their listings from MLS.

It's easy to build your cash buyer list using the information found on MLS. Simply:

- Search for recently-sold properties
- Skim for repeat buyers (i.e. people who purchased multiple properties in a relatively short period of time)
- Do a quick Google search for the buyer
- Look for the contact name and phone number
- Ask them if they want to be added to your buyers list
- Call the realtor who represented the buyer

Every single county has their own auctions—simply go to the county courthouse and start networking with auction property buyers. While you're networking, be sure to collect names and contact information. All buyer information should be compiled and put into a buyers list.

Send Direct Messages To Facebook Group Members

Beyond just posting on Facebook, you can proactively reach out to people in similar Facebook groups. Simply click on their profiles and send them a quick direct message:

"Hey, I'm a wholesaler in (city/town).
I'm looking to build my buyers list. Do you want to be added?"

This is a very easy, totally free way to start or continue building your list.

Craigslist

Another way is you can actually build your list is go on craigslist.com and literally on craigslist.com. Here's an ad you can place:

"I have off-market properties. If you're an investor who wants to get the
best off-market properties, call or email me at [your contact info]"

Bandit Signs

Back to bandit signs! Not only are bandit signs a great way to hook sellers, but they're a great way to sell your properties. I often post signs close to the property, around busy interactions, parking lots and other high traffic locations. Again, I'll include a simple message like:

PLEASE HELP
MUST SELL ASAP
3BED/2BATH BLOCK HOUSE

At the bottom, include your GoogleVoice number or other business number—*never* include your personal number or work phone.

Sometimes I may or may not include an asking price on my buyer-focused bandit signs. Just a little information is enough to get the phone ringing.

Real Estate Auctions

One final way to drum up seller leads and build your cash buyer list is through real estate auctions. Go and see if you can suss out who the active buyers are—ideally, you want cash buyers who can move quickly.

In some areas, real estate auctions are done online. If that's the case, you'll need to do a little more digging to find out who's getting deals done in your neck of the woods. But with some work, you can usually figure out who the buyers are and how to get in touch with them directly.

The best cash buyers out there are almost always at these auctions. Because these buyers are buying properties site unseen and trained to move and buy property like in an instant. These are the buyers trained to move quickly and close on properties within 24 hours.

What's more, because auction buyers have to move quickly, they typically have a lot of cash on hand, or private money lenders who can move quickly. That's another plus for you and your business.

UNDERSTANDING THE MECHANICS OF THE WHOLESALE FLIP

By this point, you're probably eager to get started, but still, have the same lingering question you had the minute you started reading this guide: Who's money am I going to use to close these deals?

It's a fair question—and the answer is, truly, the beauty of wholesaling: we're going to use *another* investor or buyer's money to close *your* deal.

A-B TO C TRANSACTIONS

A to B transactions are the most common wholesale funding process you'll see in this industry. These are simple, standard transactions:

- A owns a property
- B pays A for a property
- B now owns the property

If you have cash to invest, you don't have to read any further. All of your investments will likely be A to B transactions. You'll then lease the property to a tenant and generate a cash flow from that, or you'll flip the property to another buyer for a lump sum.

In wholesaling scenarios, there's a third person involved in all this—person C. Here's how these transactions look:

- A owns a property
- B signs the purchase agreement and gains equitable rights
- B becomes the seller
- C pays B for the property
- B uses C's money to pay A

Make sense? Essentially, C puts their money down to buy a property, and B immediately turns and gives A their cut—the amount in the purchase agreement—and B pockets the rest as profit.

There are three ways to use this basic framework to close wholesaling deals—methods that don't include any of your own money being put down. Those methods are:

- Assignment
- Double Closing
- Transactional Funding

ASSIGNMENTS

One of the simplest ways to flip a property is to *assign* your purchase agreement to another buyer. Assignments are, in their most basic form, naming *your* new buyer on the contract between you and the seller. That new buyer assumes all the original terms you and the seller agreed to. They're, basically, stepping as *you* and taking the deal to close.

Not only are assignments very simple, but you'll discover that *many* more title companies are open to this practice than other wholesaling processes. Some, though, will have never executed an assignment before, and won't have the know-how to get the job done. Don't let anyone tell you assigning a contract is illegal or that it can't be done in your state. It can. Simply find a different attorney or title officer to help you.

BENEFITS AND DRAWBACKS OF ASSIGNMENTS

The reason we focus on wholesale deals in the Quick Start System is because, simply, they're the easiest, fastest and least expensive way to generate a *serious* payday—that Reality Check we're after. You do the leg work but *your* buyer swoops in and handles everything from the cash transaction to the closing costs. What real estate investor *wouldn't* want to hear from a reliable wholesaler that they can get in on a *smoking hot deal*—maybe it's 50% below retail and *in contract already*. They'll *gladly* pay you $5,000 for your services! All they care about is that the property has enough value for them to make a big profit. And if you've negotiated a fantastic deal, there *definitely is*.

These deals are serious win/win/wins. You get your assignment fee. The seller unloads their property. The investor gets a good deal without a ton of heavy lifting. What could be better?

That said, there are some downsides to wholesaling. That $5,000 you're making on the deal? It's visible to everyone involved in the transaction. If the seller or buyer thinks you're making too much, they may get upset and push back. That's why the assignment method doesn't typically work if you're making big fees—anything over $5,000, really. You wouldn't want to shine a light on the massive profits you're making on a quick, seamless deal. That could rub the other players the wrong way and, even, derail your deal.

That said, as your wholesale business grows you'll start building strong, trusting relationships with real estate investors. And when that happens, they'll be grateful for the deals you're bringing them and probably won't think twice about your assignment fees. But in the beginning, it's important to keep things closer to the vest.

These deals are serious win/win/wins. You get your assignment fee. The seller unloads their property. The investor gets a good deal without a ton of heavy lifting. What could be better?

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WHAT TO DO DURING THE INSPECTION PERIOD

As soon as you have a property under contract, you have the equitable rights to start marketing that property. So start shopping around for a cash buyer ASAP! Once that inspection window closes, you lose your major "escape" clause and, hands down, it will be harder to break the contract and get your earnest deposit back.

So what to do? Let's say you're looking to make a quick $5,000 assignment fee so you market this property for $105,000. Immediately start promoting it via:

- Bandit signs around the property and its immediate vicinity
- Ads on Craigslist
- Text messages or emails to your cash buyer list, including photos/videos of the property

When prospective cash buyers call to learn more, be sure you're both answering their questions and "selling them the dream" of what *this* property could be.

As potential cash buyers call you to learn more about the deal, you field their questions and "sell them the dream" of what the property could be. Be sure to explain that this is a *great* deal and that it will go quickly—if they're interested, they need to do their due diligence as quickly as possible. Creating a sense urgency like this will help you engage and activate qualified buyers, and help ensure you have someone teed up ahead of close.

Once you have an interested cash buyer on the line, schedule time to show them the property so they can tour and inspect it. Because you don't have time to waste, do your best to rule out any "tire kickers" before getting to the property—you don't want to spend time with people who don't have the cash or won't be able to move forward right away.

PUTTING TOGETHER AN ASSIGNMENT CONTRACT

Once you find a buyer, you'll need to execute a separate agreement outlining the terms. The agreement also includes details on how much you'll be paid and that you'll be paid at closing.

When you're selling to a cash buyer using an assignment, you'll want to have a few key elements outlined in your agreement:

- Assignment Fee—in this example, $5,000
- Non-Refundable Deposit —$1,000 - $2,500
- Closing Date—this should be a few days before your original closing date
- Closing Location—use YOUR closing agent, since the escrow is already open so you can stay on top of the deal
- Inspection Period—zero days; the buyer needs to do their due diligence prior to contracting the deal with you
- Closing Costs—the buyer pays all closing cost for themselves and the seller

This agreement passes your rights and obligations under the original Purchase Agreement to the new buyer. So, all of the terms you agreed to with the seller in that purchase agreement will need to be included and agreed to by the end buyer—AKA the "assignee"—in your assignment contract.

So, for example, if you agreed to let the seller live in the house rent-free for one week post-close, the buyer needs to agree to those terms as well. They also need to agree to the originally agreed upon closing terms. That means if you've set a closing date for 21 days from the purchase contract execution date, the buyer had better be ready to pull the trigger and close in that abbreviated timeframe.

So, be sure your buyer has time to review the Purchase Agreement between you and the seller—that's essential to successfully closing the deal. They need to accept everything outlined.

Once the new buyer agrees to the original terms in the Purchase Agreement, they need to complete and sign the Assignment Agreement, then send it to you via mail or email. The buyer must also wire a nonrefundable deposit to your closing agent to "officially" lock in the agreement. After that happens, we say the Assignment Agreement is "fully executed."

At this point, you'll submit the agreements to your closing agent, attorney or other third-party intermediary handling close. And guess what? Then you're DONE. You've officially removed yourself from the deal and, now, just need to wait until closing to get paid your assignment fee.

DOUBLE CLOSING

You can also leverage a “double closing,” also called a “simultaneous” or “back-to-back” closing. This involves taking *both* purchase agreements and outlining two unique and separate transactions to be carried out. You’ll have:

1. Your A to B purchase agreement
2. Your B to C purchase agreement

Take both agreements to your third party title company or attorney and let them knowthat the money from your C buyer will fund your A seller—and that you’ll get what’s left.

What a Double Closing Looks Like

Now, let’s review what a double closing scenario could look like. In this example, you’ve negotiating with a motivated seller.

The agreed upon purchase price is $100,000.
You’ve established the ARV is $225,000 after a $20,000 rehab.

Here are the other terms you’ve negotiated:

- Earnest Money Deposit: $1,000
- Closing Agent: use YOUR title company so you can stay on top of the deal
- Closing Costs: you’ll pay the seller’s closing costs (except property taxes), as well as your own
- Inspection Period: 14 days
- Closing Date: 30 days

Because you’ve negotiated such a great deal, there’s wiggle room for a bigger assignment fee. You market the property for $115,000, so you can make $15,000 from the deal while still leaving the new buyer about $90,000 in potential profit.

Here’s how the deal would play out:

STEP 1:
Put the property under contract with the seller for $100,000

STEP 2:
Once you’ve signed the contract and opened escrow, you have equitable interest in the property. That means you can start marketing it and start looking for a cash buyer willing to pay $115,000 for this property.

STEP 3:
You find a cash buyer! The next step is to send this buyer a Sales Agreement to review and sign.

Make sure you include the:

- Purchase Price: $115,000
  Deposit: $2,500 non-refundable deposit. The only refund exception, in this case, is if the title company can't provide a clear tile for the property.
- Closing Date: 20 days or less
- Closing Location: Make sure you always use YOUR closing agent, since the escrow is already open and so you can stay on top of the deal
- Inspection Period: zero days; they need to do their due diligence before agreeing to the deal with you
- Closing Costs: the buyer will pay the seller's closing costs (except property taxes), as well as their own

STEP 4:
Create the paperwork and send it over to the cash buyer for final signatures. Once they sign and accept the terms, send both the Purchase and Sale Agreements to your title company. Be sure to open escrow with the buyer's $2,500 deposit. Your cash buyer is now locked into the deal and they are the "C" in the "B-C" side of the transaction.

At this stage, you'll have two escrows open—yours with the seller and yours with the buyer. Come closing day, your cash buyer will wire $112,500 to the title company, which is the purchase price less their deposit. Of that, $100,000 will move from the B-C escrow to the A-B escrow and fund your purchase and uphold the agreement between you and the seller.

With the A-B escrow closed out, the closing agent will complete the transaction by closing the B-C escrow and giving you the remaining $15,000, less closing costs.

Before moving forward with a closing agent, be sure they've handled double closes in the past and are able to properly execute them now. If you do run into a situation where a closing agent says they aren't legal, simply thank them for their time and move on. Any good investor-friendly closing agent will be able to get you to close using the double closing strategy without any issue.

The Benefits and Downsides of a Double Close

Now, let's look at the benefits and drawbacks of a double close. While there's an extra step or two involved, there are lots of benefits to a double close. For starters, there's less visibility surrounding your assignment fee. Because this process separates the two sales—the A-B transaction between you and the seller and the B-C transaction between you and the cash buyer—no one knows what you're making off of this deal. And that can prevent last minute bumps in the road, especially if your assignment fee is more than $5,000.

The cons of a double close? Having two escrows means you'll wind up with two separate sets of closing costs.

If your assignment fee is on the bigger side—like the $15,000 in the example above—you should have no problem covering low or moderate closing costs. These can be as low as $1,000, depending on the state and its property transfer fees. In some cases, though, closing costs can be $5,000 or more. Be sure you're accounting for these in your initial budgeting and WMAO calculations.

But, just like assignments, a deal that was successfully double closed benefits everyone in the end. The motivated seller is happy because they've sold their property for a fair price. The end buyer—your buyer—is happy because they got a very discounted property that they can now rehab and flip or rehab and rent out. And you got a great deal because you've flipped the contract for a hefty assignment fee without investing your money.

TRANSACTIONAL FUNDING

Now, let's talk about transactional funding. This is a type of funding developed exclusively for real estate investors who need to fund a quick transaction for a short period of time—think 24-48 hours or so.

The process is very similar to a double closing—in fact, it's a type of double closing. The only difference is that you're using a third-party investor to fund the A-B transaction for you. But you'll still have two separate transactions and two separate escrows when you use a transactional funding approach.

Using a transactional funding approach:

- A third party investor provides the transactional funds so B can close their deal with A (in other words, to fund your original agreement with the seller)
- The title transfer to B (you)
- C purchases the property from B
- The closing agent reimburses the transactional funder, plus their funder's fee
- B gets what's left over as PROFIT

I often recommend transactional funding when a title company doesn't want to execute on the double closing strategy. Because you aren't using the end buyer's money to close the A-B transaction, virtually all title companies will OK this process and be able to facilitate a smooth closing. You'll make slightly less using this method because you'll have to pay the funder's fee—the fee to the person or company that funded the transaction—out of your assignment fee.

And that's, literally, IT. That's the only difference between a double closing and transactional funding—you'll get a lender or investor to fund the deal between you and the seller, then close on your agreement with the cash buyer. It's not complicated. It's not costly. It's not time consuming. It's something you can start doing right now if you stop over analyzing and worrying about the "what ifs" and just dive right in.

HOW TO MAKE THE MOST MONEY AS A WHOLESALER

By now, you should have a solid overview of how to make money as a wholesaler—and, specifically, how you can earn your first paycheck in just five weeks. Now we need to focus on the ways to not just generate a paycheck but get to five figures fast.

To do that, you'll need to focus on ways to maximize your earnings from your first flip—how to make your Reality Check as hefty as possible.

From where I sit, there are three ways to accomplish this:

- Buy for as low as possible—we've already covered this
- Sell for as much as possible—more to come on this
- Do both—the best option, if you can swing it

The key, though, is to find that C—that end buyer. Because these cash deals tend to come down the pike very fast.

To be successful as a wholesaler you'll need to have a robust buyers list at the ready, that you can turn to any time you have a deal on the table. That way flipping your latest property is no harder than sending a quick text message or email to your list. If they're interested, you may be able to accomplish #2 or #3.

The good news? You don't need an enormous list, you just need an engaged, active, relevant list. I've seen wholesalers excel with 6-10 buyers on their list—they're the right buyers, though. Get a few fellow investors on your list—this includes rehabbers and those on the prowl for buy and holds—and you'll be in a solid position.

So, What Does This All Look Like?

Now that you have an understanding of the 7 steps—and, specifically, the specific steps we'll be using to make five figures in a few weeks—the big question is what does it REALLY look like?

What does it really mean to "find, figure and flip" a property?

Well, here's a quick scenario to really drive these points home…

FIND IT
You've done it. You've found a motivated seller. You've given your elevator pitch and they're very interested in selling to you. Way to go!

FIGURE IT
So, you take things to the next level—you run the numbers—the MAO, among others—and everything looks great. You're going to make some serious profit from this flip. So, you move forward with an agreement that clearly outlines price and terms.

Once everything is hammered out, you wrap up your purchase agreement that includes key information:

- Buyer's name
- Seller's name
- Purchase price
- Terms of the purchase

The contract is reviewed, any edits and amendments are made and, ultimately, both you and the seller sign it. You'll then take that signed contract to a third-party intermediary—this could be an escrow company, title company or real estate/closing attorney. It all depends on where you live.

The Problem Solving Period

You now enter the "Problem Solving Period"—AKA escrow. The overarching escrow period can take a few days, a few weeks or even a few months in some extreme cases. Most of the time, you'll be working on a shorter timeline. Either way, this will be hammered out in your purchase agreement.

It's during this period that you do a deeper inspection of the property and do your due diligence. After the inspection, you'll have the option to cancel the contract if the report isn't particularly favorable, or, you can choose to move forward with the sale—with or without new stipulations based on the inspector's findings.

The minute you and the seller sign the purchase agreement, the transfer of equitable rights transfer from the homeowner to you. This includes the right to inspect the property, to market the property and to assign the contract on that property to another buyer, if desired.

FLIP IT
Equitable rights is why we as investors and wholesalers are able to flip contracts without putting any money down. Because these rights transfer immediately, start looking for an end buyer the minute you and the seller sign the purchase agreement. That way you won't be on the hook for the money, nor will you wind up having to cancel the contract at the last minute.

If You Find Great Deals, Buyers Will Come…

Remember earlier on how I said knowledge isn't powerful until you apply a layer of action? This is a similar concept—buyers will come IF you have great deals. If not, you may succeed at building a great list, but it won't mean very much—what is there for these great contacts to buy?

When you do get all the pieces in a row—the great properties and the great buyers—you'll want to really kick things into high gear. Don't play mind games with buyers and don't spend too much time negotiating or going around and around. Good buyers are serious buyers. And you want and need serious buyers to be successful in this industry. So, treat them right.

With a list of serious buyers, like I said, all you'll have to do is send a text or an email and, chances are, you'll drum up interest on virtually any new property you've got under contract. Many wholesalers I know include information for submitting an offer right off the bat—they've got qualified buyers and they've got sought-after properties. And that means they've got all the control.

PUTTING IT TOGETHER: WHAT COMES NEXT?

By now you should have a solid handle on:

- The Real Estate Investor Mindset and why it's key
- How to find deals
- How to analyze deals
- How to secure deals
- Three different ways to close deals with $0 and no credit; and
- How to put it all together to earn a five-figure payday in just five weeks or less using other people's money or "OPM

Now that you've got this knowledge, all you need to do is go out there and put it into action. Again, knowledge is great, but it isn't worth much without you consistently putting forth action and remaining persistent to back it up.

And THIS is just the beginning.

This is the very first step on your journey to become financially free. Once you've earned your first Reality Check, come back and let's talk next steps—let's talk about what we can do together to build and boost your business, and take you from five figures in five weeks to $100,000 per year, to ultimately, a seven-figure real estate investing career. Because it's all possible—and it all starts right now.

Because it's all possible—and it all starts right now.

So let's wrap up by highlighting exactly what YOU need to do next.

What Next?

My team and I are here to help guide you every step of the way. While, sometimes, building your real estate investing business can feel like a solo endeavor it's, in fact, the biggest team sport you'll ever find. You need a powerhouse team to help you build a powerhouse business—and this is the first step. The next time you take the field and every other time after that, we'll be right there beside you, cheering you on and helping lead you to victory.

Remember, NOTHING in life ever changes on its own—and the change you're angling for is a BIG one. You're making an epic leap towards where you are now personally, professionally and financially to WHERE YOU WANT TO BE. If you don't roll up your sleeves and dig in—and just DO IT—you're going to be right here or, maybe, *worse off* in a month, a year or even a decade from now.

But that's not you. You know financial freedom won't fall from the sky. You know you have a choice to make—the choice to take MASSIVE action to achieve your hopes and dreams. And you know you have to take action RIGHT NOW—waiting is the quickest way to stop your momentum dead in its tracks, and keep you from getting where you want and DESERVE to be.

Sound good? Then let's do this, together. Welcome to the world of real estate investing. You're one step closer to achieving your goals—and one step closer to achieving true financial freedom.

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